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**How to offer quality e-service in a new online store?
Case Study: IVANA Helsinki Web shop**

Hanna Tuppurainen

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Supervisor: Tomi Nakari

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Author(s): Hanna Tuppurainen

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ABSTRACT

Offering the customers quality customer service is self-evident in normal shops and enterprises. The same level of customer service is needed when a company enters the online business. This thesis will look into the matter of e-service; service that companies offer online and how to improve that service. In this thesis the e-service refers to online customer service.

The thesis is divided in two different parts: a theoretical background and a case study. The theoretical background begins with general information on Internet sales and more specifically selling clothing items online. Then there are chapters which deal with the layout and the special features a Web shop should contain in order to make the shopping experience as customer friendly as possible. Thereafter, the thesis concentrates on the payment methods, logistics issues and security of a Web shop. These matters will be examined from the customers view point. The last chapters of the theoretical background are focusing on problem situations related to online customer service and how a company can increase people's awareness of a new online store.

The second part of this thesis is a case study. The company in question is a Finnish design company called IVANAhelsinki. The case study is based on the theory provided in the first part of the thesis and will apply that information to this company. IVANAhelsinki is planning to open its own online store before the Christmas of 2007 and this thesis will provide the company with several guidelines related to their online store project. The case study begins by introducing the company and its operations, and continues to the execution of the Web shop. The thesis explains how to accomplish the online store in a manner which is both usable and visually appealing.

The end of the case study concentrates on three other Web shops who sell IVANAhelsinki products. This part of the thesis is a benchmarking study on how the retailers have executed their Web shops and which features could be applied to the IVANAhelsinki Web store as well. There are detailed evaluations of each store individually and thereafter a summary of all the positive and negative features of the shops.

The whole thesis end in a conclusions chapter. This chapter will summarize the whole thesis and provide IVANAhelsinki useful tips on its Web shop project.

Keywords: Web store e-service online business

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1. Introduction

In today's business world companies can not ignore the importance of online business. This thesis concentrates on the online sales of clothing items and investigates what kind of special features are related to that field of business. The goal of the thesis is to provide the case company several guidelines on how to operate its online store in order to serve the online customers in a best possible manner.

The beginning of the thesis is looking into the theory of online sales and how to set up an online business. There is an explanation on the matter of e-service, which refers to online customer service. The whole thesis concentrates on the actions companies should take in order to keep their online customers satisfied. The theory is based on several previous studies on the field of online business and e-service.

The second half of the thesis is examining online sales through a case study. The case company is a Finnish company called IVANAhelsinki, which operates in the fields of design and textile manufacturing. There is an overview of the company's history, main products and key business values. The rest of the case study concentrates on the creation of the online store in this company, and more specifically how the company can provide high quality customer service online.

At the end of the thesis there is a benchmarking study on the IVANAhelsinki retailers who already have an online store. The thesis looks into each retailers' online shop individually and thereafter lists the positive and negative features of the stores. The aim of this part of the thesis is to find out what kind of features the IVANAhelsinki online store should contain and which features should be avoided.

The purpose of the thesis is to point out several key ideas, which IVANAhelsinki should bear in mind when launching its online store. The end of the thesis presents conclusions based on the earlier chapters and summarizes the whole thesis. The very last chapter lists the references used in the thesis.

2. Theoretical background

This chapter of the thesis will look into the theory of online business. The chapter 2.1 will concentrate on the evolution of electronic commerce and online sales in general and the rest of the theoretical background is exploring the online business from the customer service point of view. The theory is concentrating on how to sell clothing items online and what special features must be taken into consideration in this field of business.

2.1 Selling online

Selling and buying products via the Internet is often referred to as electronic commerce or shortly e-commerce. E-commerce has been experimented in different forms during the past thirty years but properly after the year 1993, as the new technology has given the opportunity for the real break-through. E-commerce has grown exponentially ever since. Nowadays it is essential to have a presence online in order to keep up with the competition. (Trepper 2000: 3.)

Selling and buying on the Internet has become a great part of trade today. According to John Tschohl, the Internet has grown faster than any other media before. For example, it took the radio 38 years before it reached the point of 50 million listeners. For TV, this took 13 years. (Tschohl 2001: 1.) The Internet has become a world wide network in less than four decades. There are approximately 1,1 billion Internet users today (Marttinen 2007, [retrieved on 14.11.2007]).

One of the best aspects of Internet sales is the vanishing of geographic boundaries. The Internet offers global markets for practically everyone. This offers new challenges as well; it used to be enough to watch out for the competition along the same street, but nowadays the companies in different continents can be considered as potential competition. (Tschohl 2001: 57.) This also gives greater opportunities for small and medium sized companies to compete with the big players in the markets.

A Web store is not supposed to replace the traditional stores. Internet sales can complete the existing business and offer the customers optional ways to make the purchases. The Internet makes it possible for the customers to search different products and buy them whenever and wherever they want. Companies should make it easier for the customers to buy their products or services, which will definitely boost their turnover. (Tschohl 2001: 13.)

2.1.1 The benefits and drawbacks of online business

There is some controversy on the benefits and drawbacks of e-business as well as the use of the information networks. There are many success stories but there are also large number of disappointed companies, entrepreneurs and customers. (Tchen 2006: 13.)

The benefits of Internet stores can be divided into three categories as following:

- The online stores help companies to improve their customer service. The customers can shop regardless of the time and the place. It is also easier to update the product info such as availability and prices online than print a whole new catalogue. An Internet store provides an easier and faster shopping experience, since it eliminates the need for travelling to the physical store.
- Companies can expand their markets more easily than in offline business. With an online store, companies can reach millions of people who could be potential customers. The Internet allows an easier access to market areas which would otherwise be hard to penetrate. It is also a very important medium to the niche products; i.e. products with a limited demand and supply.
- Online stores make it easier for the companies to reduce their operating costs. This means that customers can get the product information through the Internet and the need for printed catalogues or brochures decreases. Also, electronic interaction with the customers does not require expensive sales offices or store locations.

(Tchen 2006: 13-16.)

As Trepper reminds, implementation of an online business model will not necessarily lead to a successful outcome. If the existing business processes are not working properly, the quality of the products is not up to standards, or the customer service is executed poorly, online business will only make things worse. Electronic business makes it easy to repeat mistakes even faster and more often. If the core functions of the normal, offline business are flawless, the company can benefit greatly from of the opportunities which electronic commerce can provide. (Trepper 2000: 3.)

The main problems related to electronic business are:

- The need for constant updates in the Web site in order to keep it interesting.
- The security and safety related issues for both the seller and buyer; the distrust towards the payment methods over the Internet.
- The difficulty to make a buying decision based only on the pictures and information available on the web site and not being able to physically touch the products before buying.
- The expensive delivery costs can discourage some customers from buying small products.

(Tchen 2006: 16-17.)

2.1.2 Selling clothing items on the Internet

Almost anything can be sold on the Internet. However, some products are a lot harder to sell without the actual contact between the seller and the buyer. Clothing items can be considered as one of these hard categories since most people would like to fit the clothes first and compare the fabrics before making the purchasing decision. These factors must be kept in mind when starting an online clothing store.

It is not a completely new idea to sell clothes directly to people's homes. Home shopping has existed for a few decades already in the form of catalogues. For example, Anttila Oy has sold clothes via post catalogues since the 1950's (Anttila Oy 2007, [retrieved on 19.9.2007]). Therefore, the idea of home shopping is already familiar to most people, and this makes it easier to start an online clothing store.

The Internet has changed the sales process quite much. The product descriptions are more detailed and accurate and the time between placing an order and receiving it has reduced dramatically. From the customers point of view, the Internet has brought new problems as well. In most cases, the customer is forced to pay the order immediately, before receiving it. This increases the uncertainty for the customer. According to Anne Törnroos, the drawbacks of the mail-order catalogues still exist in the Internet stores. In a traditional offline clothing store, the customer is able to use all senses in making the purchasing decision. The customer is able to get a real contact with the piece of clothing; the item can be fitted on and the material can be touched. Also, in a normal store the sales personnel are there to answer the customers' questions and offer help if needed. However, Törnroos still sees online business among the clothing

manufacturers as a key for reaching wider customer bases and becoming more international. (Törnroos 2005: 2.)

One of the most important factors for a successful online clothing store is interactivity, which enables the customers to discuss with the company's personnel (Tschohl 2001: 48). When selling clothes online it is important to offer the customers a possibility to contact the company's representatives if there is a problem. The faster the customers can reach a real person to answer their questions and help them with their problems, the better. If answering the customers' requests takes too long, they are likely to go to the competitors.

One of the best-known failures in the field of electronic business is the Swedish Boo.com, which was trying to sell clothes and shoes online. This company can be regarded as a cautionary example of how an online business should not be conducted. However, this does not mean that clothing items are not suitable for online sales, Boo.com just conducted the business wrong. Its main problems were an unrealistic business idea, an uncontrolled use of investors' money, a complicated and inefficient Web site and personal problems inside the company's executives. The overall business idea was a blur; What would they be selling? How would they conduct the sales? Why would people buy on the Internet? All of these basic questions were approached too lightly. (Lindstedt 2001.) As Trepper explains, e-commerce projects may face great problems and the winners in the e-commerce world are those companies who set realistic and measurable goals (Trepper 2000: Johdanto XI). This is something that Boo.com did not do properly enough.

2.1.3 Competition situation in online stores

In an online environment, the customer is the boss. The customer has the power to leave the online store just by clicking the mouse if he is not satisfied with the products, prices or the usability of the Web pages. Comparing products from different manufacturers is much easier in online stores, and therefore it is crucial to be able to keep the customers in the store in order to complete the purchase. According to Törnroos, the more customized or personalized the product, the harder it is to create efficient online markets. Customers are mainly seeking either lower prices or new, better services than in the offline markets. Therefore, the importance of great products and reasonable pricing strategies rises in the online business. (Törnroos 2005: 9.)

Tschohl describes that the greatest thing about Web stores is that they even out the playground and open the doors to global markets for practically everyone. The companies which manage to

offer their customers technology, fastness, affordable prices and quality customer service, will succeed; regardless of the size or location of the company. (Tschohl 2001: 62.)

Even though the consumers are usually drawn to the Internet stores by low prices, the importance of a reliable, well-known company or brand can not be underestimated. The online markets are rather unstable and the customers need confirmation on the quality of the products and the safety of their personal information, such as credit card numbers. (Törnroos 2005:10.) If there are two similar products in two different Web stores, the customer is likely to choose the company he is familiar with rather than the unknown one.

The electronic customer service provides an excellent competitive advantage. Polite and professional customer service is something the customers expect to get in a quality Web store. In fact, many consumers are ready to pay higher prices if they get good service. (Tschohl 2001: 89.) Even though the sales person is not physically present when the customer is visiting the online store, he/she is expected to be available if his/her help is needed.

2.1.4 Future prospects of online clothing stores

The experts of online clothing sales in Finland believe that this field of business will grow in the future. Both Janne Aro (Finnish Design Shop) and Pauliina Silvonen (netAnttila's clothing department) believe, that the Internet clothing shops will evolve and grow in the near future. Aro believes that the technical side of online shops will develop further, and in the future virtual sales personnel can suggest suitable combinations of different pieces. Also, there is a possibility for a virtual model, which can be adjusted according to the customer's own measurements. (Törnroos 2005: 28.)

A virtual sales representative was already implemented in Boo.com with bad results. At that time, the technical background was not ready for that kind of implementation, and the site functioned poorly. However, as the Internet technology develops even further, new opportunities arise. Internationalization will be a huge factor in tomorrow's online clothing stores, because the field is still taking baby steps in Finland.

2.2 The concept of e-service

John Tschohl defines e-service as speed, technology and price built around service (Tschohl 2001: 4). Basically, e-service can be described as any service a company performs via an electronic network. In this thesis, e-service refers to the online customer services.

Tschohl emphasizes the fact that no business or organization can ignore the relevance of the quality of online service. Since the competition is just a click away, the quality of online service is crucial. Tschohl underlines that advanced technology will never remove the need for quality customer service. He compares Internet sales to a three legged stool, where the legs are speed, price and customer service. If the first two legs are there, but the third leg, excellent customer service, is missing, the stool can not stand on its own. If the company is able to offer fast deliveries and low prices but can not answer customers' questions and help them with their problems fast enough, the sales are very likely not to be performed. The e-service is like a glue, which holds the Web sales process together. (Tschohl 2001: 2-16.)

Serving the customer in the best possible way can be conducted in several ways. The usability of the Web store is one important factor in offering the customers quality service. As the Internet competition gets harder and harder, the role of the e-service gets more important. The abstract things are the hardest to copy by the competitors. (Tschohl 2001: 45.) This means that competitors can offer similar products, delivery options and prices but the service is really hard to copy.

In an offline business, it is important to maintain the existing customer relations as well as obtaining new customer contacts. The same applies to the online business. If the customer has positive shopping experiences, he/she will probably use that company's product or service again and is also likely to tell other people about it. However, if the customer has negative experiences, he/she is even more likely to tell others about it. (Purmonen & Turunen 2005: 10.) The bad reputation spreads around much faster than the good one, which makes the quality of the e-service even more important issue.

There are ten key points, which help companies to give the customers better service online:

- Easy and memorable URL address, which can be found without a search engine or a bookmark
- Recognition of the first time visitors and welcoming them accordingly
- Clear presentation of prices, shipping costs and additional fees

- Real-time stock follow-up
- The products' availability info on and offline
- Content that can not be received from anywhere else
- Ensured privacy and security policies
- Flexible delivery options
- Effortless channel for product returns on the seller's expense
- Professional and efficient customer service via telephone, fax or e-mail, open twenty-four hours daily

(Tschohl 2001: 66-67.)

Even though it is important to offer the customers the best possible service, the worst mistake is to promise the customers something that can not be done. If a Web site offers an around the clock customer service, it must have one. If the customers can not reach the company's representative any time they want, they will get frustrated and angry. (Tschohl 2001: 67.) The best online service is achieved if the customer feels like he/she was treated as well as if he/she was in the actual offline store.

According to Kalakota and Robinson, an average company loses half its customers every five years. Also, it is mentioned that it costs five to ten times more to obtain a new customer than to keep the existing one. (Kalakota & Robinson 2001: 44.) Therefore, maximizing the relationships between the customer and the seller in order to achieve a competitive advantage over the competitors is worth investing in.

Even a small company can succeed in the online business if it takes excellent care of its customers. As online stores get more and more common, the customers are naturally paying more attention to the fastness and punctuality of the service. This is a challenge, which may lead to great success. However, being excluded from the markets may happen just as fast if the customers are not satisfied with the quality of the e-service. Taking good care of the customers is a key to e-commerce prosperity. (Trepper 2000: Johdanto XIII.)

2.2.1 Personalizing the e-Service

In order to make the online customers feel like individuals, the Web store must have certain characters to make it more personal for each customer. As Kalakota and Robinson point out, customers do not exist in featureless masses, and therefore a "one-size-fits-all" philosophy does not work. The service must be tailored to each customer individually. (Kalakota & Robinson 2001: 44.)

Personalizing the e-service for each customer may lead to a tighter relationship between the seller and the buyer than the one which could be achieved through normal offline marketing means (Trepper 2000: 17). In addition, in the online business, the company is able to respond faster to any wishes the customer might have, and therefore increase customer satisfaction.

Log in

The easiest way to offer a personalized shopping experience is to ask the customers to register on the site. During their first visit on the site, the customers can create their own customer accounts by choosing a user name and a password, and filling in their personal details. When the same customer arrives to the Web shop second time, he/she can just log in and the company will be able to identify the customer.

The log in feature enables the company to create a customer database, which will offer a better understanding of the whole customer base. This can be utilized, for example, in marketing functions. In an online store, the company receives more detailed information about the customers' buying behavior than in a regular shop. This info can later be utilized both in acquiring new customers as well as in keeping the old ones. (Törnroos 2005: 9.)

As the buying behavior can be monitored more closely, making of the correct marketing decisions becomes easier. The right information can be provided to the right customer group at the right time. This can lead to a better competition situation. (Trepper 2000: johdanto XIV.) As a customer has registered in the Web shop, it is easier to offer him/her a more personalized shopping experience. For example, the company can recommend him/her certain products based on his/her purchasing history.

Language

If a company aims at the international markets, the Web store needs to be translated at least to English. Obviously, the more different languages can be offered, the more potential customers might get interested in the Web store. Even though English is rather widely understood, still most people would prefer to use their own language in the Web store. The target customer group of the Web store can determine which languages should be used. For example, if the target group is people between the ages 20 to 40 in large cities, they are more likely to understand English than over 60-year-olds.

Adding more languages to the Web store is not free of charge. It could be the best idea to choose a few target countries and use those languages only. It should be kept in mind that if, for example the French customers can visit the Web site in French language, they might assume that the customer service and delivery documents are provided in their own language as well. If that kind of possibility does not exist, the French customers might end up frustrated and angry.

Currency

To make the shopping experience more convenient for the international customers, the prices should be presented in several currencies. The varying exchange rates make it more difficult to keep the pricing up to date, but it is an effort worth making, since it makes the international customers feel like they are appreciated and served well in the online store.

The currency can be linked to the customer's home country. When the user is registering to the site, he/she states the country he/she is from. Afterwards, the Web store can provide the price info in the customer's own currency.

Sizes

When talking about selling clothes online, choosing the right size should be made as easy as possible. According to Törnroos, the largest challenge for the customer in Web clothing stores is choosing the correct size (Törnroos 2005: 27).

The Americans use a different measurement scale than the Europeans, and therefore it is important to state the sizes in different ways. The sizes could be presented in numeric form as well as in letters S standing for small, M for medium and so forth. In addition to this, it could be useful to display detailed info about each piece of clothing separately. For example, in dresses there should be at least the length of the hem and measurement around the bust and the waist line, displayed both in metric units as well as in inches. The more detailed the size info is, the easier it is for the customer to choose the right size.

2.2.2 Layout of the Web store

The e-service can be provided in many different ways. One important aspect in quality customer service is the layout of the Web shop. The better the shop is executed, the easier and more convenient it is for the customers to make their purchases.

Building a successful e-commerce site is a complex project that requires a deep understanding of business, technology and social issues. From a managers point of view, the two most important challenges are how to develop a clear understanding for the company's business objectives and how to choose the right technology to achieve these objectives. Many companies want to outsource the Web site creation project to a service provider. However, it is very important for the managers to have some understanding over the Web site, or otherwise it will be impossible to make sound managerial decisions about the firm's e-commerce functions. E-commerce is just too important to be left totally to the technologists and programmers. (Laudon & Traver 2004: 197.)

The layout of the Web store is a very important factor in assuring the customers a nice and easy shopping experience. The one of the most important issues is the usability of the site. Usually customers make evaluations of a site's usability subconsciously, for example, by getting frustrated about unclear navigation, being pleased to easily find the information they were looking for, or simply leaving the site because they do not find it interesting, professional or trustworthy enough. (Höyssä 2007: 6.) One of the most common reasons for leaving a Web store without placing an order is an excessively complicated site or user interference (Tchen 2006: 41).

Also, it is important that the Web site is effective to use, so that the product can be found and purchased with a minimum effort. In fact, the user of the Web store determines the quality of usability subjectively, according to his/her own feelings about the site. (Höyssä 2007: 10.) It must be kept in mind that the layout and the usability of the site are crucial elements in quality e-service. The better the Web store looks and works according to the customers' wishes, the more satisfied he/she will be. The following usability elements can increase the customers' feeling of satisfaction:

Consistency: The customer must learn how to navigate in the store; he/she must figure out which link to click in order to achieve the desired goal, for example, how to find the right product. On a well-designed Web site, this learning process does not take much time or require much concentration. This is easiest accomplished by being consistent: getting the same result will require the same action as before. As the customer learns how the Web site works, he/she will be able to concentrate on what is important: the content. In practice, this means that the navigational elements of the site should always be found in the same place, the content should appear always in the same part of the page, and the results of a specific action should always be the same.

Coherence: When visiting a Web site, the user is forced to constantly manage new information provided by it. Coherence means the ease of managing this information. It also refers to the capability of performing the tasks caused by the user when he/she is using the site.

Focus: The information of a Web site should be presented to the user with a consideration of its importance and value. The key elements should draw the attention of the user. This is achieved by placing the most important info on the top of the page, so that the customer does not have to scroll down to see this material.

(Höyssä 2007: 10-12.)

The Web site should be in accordance with the company image. If designed properly, the Web store can transmit the company image to the online customer in a similar manner as if the customer was visiting the offline store. Therefore, the color schemes, fonts and other visual effects should be carefully chosen.

2.3 Financial issues of an online store

2.3.1 Pricing

Most people look for wider selections of goods and cheaper prices when making online purchases. Conducting business online is in most cases less expensive than in an offline environment, resulting to cheaper prices. Since the customer has to pay also for the transportation of the package, the unit prices are usually much lower than in an offline store.

When it comes to selling clothes, social issues like belonging to a certain group come into the picture. Fashion is a powerful and noticeable way to express someone's thoughts, values and attitudes. Therefore, some clothing brands are bought because of their image. These products are not chosen because of their quality or usefulness, but because of the message that the piece of clothing conveys. In most cases, these images are related to wealth. (Törnroos 2005: 7). Accordingly, these kinds of products can be sold in online stores at the same price as in the normal shop. Usually these products are rare and can not be bought everywhere; hence, an online shop is a great channel for people all over the world to find these products.

2.3.2 Payment methods in online stores

In order to achieve a high level of e-service, the company should offer many different options when it comes to payment methods. All payment techniques have their own benefits and drawbacks, and therefore it is important to let the customer choose which is most suitable for him/her. However, different payment systems usually lead to more complicated business operations from the seller's point of view.

Cash

Using cash payment is possible only if the customer will pick up his/her order directly from the seller's premises. Naturally, this is only possible if the customer happens to live close to the seller. Therefore, cash payment is not a very usable payment method in an online store. (Purmonen & Turunen 2005: 11.) Cash payment is not used very often in online business.

Internet banking

Completing the transaction with an e-payment is fast and effortless. As the customer proceeds into the payment section, he or she will have the opportunity to click a link, which will take him/her directly to his/her bank's Web service and pay the products with a bank transfer. Thereafter, the customer is automatically transferred back to the online store. This is a rather safe way to perform the payment since the customer can use his/her own user id and password provided by the bank. (Purmonen & Turunen 2005: 11.) Normally, this method can only be used in domestic payments and is therefore offered only to the local customers.

Credit card

Over 90 per cent of all the online purchases are made by a credit card (Purmonen & Turunen 2005: 11). If the Web store uses correct safety mechanisms, a credit card payment is a safe payment method for both the customer and seller. A credit card allows the purchases to be made in different currencies, thus being suitable for international trade as well. (Tchen 2006: 31.) The credit card is an easy and effortless payment method for both the customer as well as the seller.

Cash On Delivery

Cash On Delivery method is suitable for domestic orders. By using the COD service it will be ensured that the recipient pays for the ordered item before receiving it. The COD is safe for the seller and therefore very usable, especially with new customers whose credit history or paying capacity is not familiar to the seller. There is an additional delivery charge added to the normal transportation costs when using the COD. (Posti Oy 2007, [retrieved on 27.9.2007].) In most cases, the seller adds this fee to the customer's payment.

Credit account

This payment method is useful when the customer is making purchases regularly. The seller will charge the customer on a regular basis, for example, once a month, giving the customer additional time for payment. (Tchen 2006: 31.) However, this method requires a high level of trust from the seller.

2.4 Transportation of the orders

In order to provide quality e-service, the delivery times must be as short as possible. The most important aspect of the delivery is the ability to stay within the promised delivery time. If it is promised to a customer that the order will arrive within two weeks, it has to arrive in that period of time. If the order will not reach the customer within the agreed time frame, it will leave the customer angry and unsatisfied.

An important factor in good customer service is to provide the customers a possibility to track their orders. Especially when the customer is far away from the seller, the role of order tracking becomes even more valuable.

2.4.1 Homeland transportation

In the orders inside Finland, the Finnish post office will be the most convenient way to ship the orders. It is a reliable, well-known enterprise, making it safe for both the customer and seller to use. Also, the post office offers different additional transportation services. The customers can choose if they want a fast, a little more expensive delivery, or a normal, lower price delivery. The parcel can be delivered to a Post office near the customer, or directly to the customer's door.

2.4.2 Foreign transportation

The Finnish post office can also be used in the international deliveries. There are two options for the delivery time and costs; faster priority parcels and slower and less expensive economy parcels. For an extra fast delivery, the Express Mail Service can be used. This option guarantees the parcel to be delivered in maximum of 8 days anywhere in the world. (Posti Oy 2007, [retrieved on 1.10.2007].) The post office is the best option if most of the customers are private consumers, not other companies.

Another way to transport the foreign parcels is to use an international delivery company. These private companies are usually more convenient for the seller, since they pick up the parcels directly from the seller's premises.

Giving the customer an option to choose which delivery option he/she wants is a sign of a quality e-service. Some customers might want the delivery to be as affordable as possible, and therefore they should be given the opportunity to choose a cheap, yet slower delivery.

2.5 Security

One of the most important reasons why people would not want to make purchases online is the fear of giving the credit card information to the wrong hands. However, as Laudon and Traver state, the risks for the customer in e-commerce are not greater than in ordinary offline commerce. The seller on the other hand, has to struggle with security related issues such as stolen credit cards, disputed charges, off-shore shipping destinations, the power of credit card companies to force merchants to pay for fraud and the lack of international laws governing global e-commerce problems. Laudon and Traver point out that as the transaction volumes and monetary value of the e-commerce continue to expand, so do the security related risks. (Laudon & Traver 2004: 252.)

In order to ensure the customers a safe and reliable shopping environment, the seller should be aware of the newest technologies and be able to use them. However, no matter which technology is used, the security is never absolute. Any security system can be broken if enough resources are put against it. (Laudon & Traver 2004: 254.)

As Laudon and Traver explain, there are six key dimensions to e-commerce security.

- **Integrity** refers to the ability to ensure that the information on a certain Web site or information transmitted over the Internet has not been altered by an unauthorized party.
- **Non-repudiation** refers to the ability to ensure that both parties in a transaction do not deny their online actions.
- **Authenticity** is the ability to identify that the other party with whom the online transactions are being made is really who he/she claims to be.
- **Confidentiality** means to be able to ensure that the data transmitted over the Internet is really seen only by the parties to whom the data is intended for.
- **Privacy** refers to the ability to control the use of the data, which the customer gives about himself/herself to the seller.
- **Availability** is the ability to ensure that an Internet store continues to function as intended.

If any of the dimensions mentioned above is compromised, the security becomes an issue. From the e-service point of view, it is important for the customer to feel safe when making purchases online. However, as Laudon and Traver point out, the more security measures are added on the site, the more difficult it is to use and the slower the site becomes. The balance between the security measures and usability is crucial. (Laudon & Traver 2004: 255-257.)

2.6 Problem situations with customers

One bad feature of the Internet stores is the lack of personal contact. The less the customers are in contact with the company's representatives, the more important the quality of these rare occasions becomes. (Tschohl 2001: 68.) The best way to ensure customer satisfaction in a problem situation is to create a personal contact with him/her.

Creating the personal contact with the customer is more time consuming and more expensive than an automatic reply, but it is worth investing in. When the customer needs advice on the phone, he/she usually wants a real person on the other end of the phone line, not an automatic recording. It takes more effort from the company to have somebody to answer those calls, but the customers will appreciate the feature and are therefore more likely to use the company's services again.

2.6.1 Product returns

Since the customer is not able to examine the products beforehand in an online store, the product returns are quite common. Especially with clothing items, the inability to try the clothes on before making the purchase might discourage the potential customers if there is not a flexible return policy. The customer must be assured that he/she is able to get the payment back if the product does not meet his/her expectations.

According to Lindstedt, the main reasons why people do not want to buy clothes online are:

- It is not possible to fit the clothes on before buying.
- The fabric can not be touched before buying.
- People assume that returning the clothes is difficult if they do not fit.

(Lidstedt 2001: 271-272.)

These problems must be addressed correctly in order to encourage people to buy from an online store. If the returning of an item is made as easy as possible for the customer, the seller must bear all the costs related to the returns. However, this usually encourages people to order items they are not even planning to buy. For example, a customer might order two of the same clothing item, just in two different sizes in order to fit both and then purchase only one of them and returning the other. If this occurs regularly, the costs for the seller might get rather high. The seller has to bear in mind that the returned products might not be re-sellable; thus increasing the costs even more.

2.6.2 Other problems

The key element in dealing with customers' problems in online stores is fastness. If a customer is forced to wait for an answer for several days, he/she is likely to go to the competitor's store. In a problem situation, the customer is expecting similar level of service as in normal offline stores. In the problem situation, the customer wants an easy and quick solution for his/her problems, provided in a friendly and professional manner.

It must be kept in mind that complaints about the Web store are a valuable source of information. The best way to improve the online service is to pay attention to the aspects with which the customers are not satisfied. As Tschohl explains, the complaining must be made easy for the customer, and their complaints must be taken care of in a friendly manner. If the customers are not pleased with

the online store and express their dissatisfaction, they give the company another chance to keep them as its customers. If the customers do not have the possibility to contact the company and complain, they just move to the competitors Web store and they are lost forever. (Tschohl 2001: 122.)

It is self-evident that the companies can not be prepared for all the different problems the customers may have. The problems might be related to the payments, transportation of the orders or to the usability of the Web store. The key to solving the problems is taking each customer as an individual. Each problem requires an unique solution in order to keep the customer satisfied.

3. Case study: IVANAhelsinki Web store

This chapter of the thesis will be concentrating on the building of an online store of a company. The company used in the case study is a Finnish design company IVANAhelsinki.

3.1 Company

IVANAhelsinki is a Finnish design brand which was established in 1998 under the name IVANAFinlandia. That name was soon changed into the current name since the owners of the company felt that IVANAhelsinki was more catchy and suitable for this brand. The official name of the company is Markkinointi P. Suhonen, and IVANAhelsinki is its best-known brand. The founders of the company are the two sisters Paola and Pirjo Suhonen. The CEO of the company is Pentti Suhonen, who is Paola's and Pirjo's father. The company is a real family business.

The company employs 15 people and offers a few internship places for students. Paola Suhonen is the only designer of the company, and all the clothes are based on her creativity. The company manufactures all its articles in Finland. The cutting of the fabrics is made by IVANAhelsinki, and the sewing is mostly done by subcontractors. Around 80 per cent of the profits come from abroad, mainly from Western Europe and Japan. IVANAhelsinki items are exported to over 20 different countries. In Finland, the company has one own concept store in Helsinki called Campus and a few retailers in the biggest cities in Finland.

3.1.1 Products

IVANAhelsinki is mainly known for its clothes and accessories for women. However, it also has men's collections and a line of home interior and gift items, such as office supplies, bed linen, photo albums and CD-cases. The newest expansion to the company's product line is children's clothes. The first IVANAhelsinki baby collection was launched in the spring of 2007.

The company's trademark has been prints which are repeated in the different pieces of each collection. The basic idea is that each season has its own print, which characterizes the whole collection. In addition to the printed fabrics, all collections contain also single-colored pieces and knitted items to make the collections more harmonic. IVANAhelsinki prints have normally been somewhat nature and camping related, such as birds, kittens, butterflies and tents. The brand started out with brighter colors and more down-to-earth designs, evolving to the current collection with dark colors and more specialized innovative pieces of clothing.

3.1.2 Values

IVANAhelsinki has a very ethical approach to its business. It is not involved in so called “Fast Fashion” business, where clothes are used one or two times and then thrown away. As a matter of fact, IVANAhelsinki functions more in the design industry than in the fashion business. The company aims at making high quality, timeless designs, which will last longer than just one season. The new collection is always designed to complement the previous ones rather than to replace them.

All IVANAhelsinki items are manufactured in Finland. About a half of the whole production is completed in the company’s own factory located at the same premises as the head office, and the other half is manufactured by subcontractors (Suhonen 15.10.2007). Keeping the production line as close as possible to the company ensures the workers best possible co-operation with the executives. This also offers the employees the best possible working conditions.

Pirjo Suhonen emphasizes that the company’s production will always be kept in Finland in order to maintain the quality and ethicality of the products. Price is not an issue to the IVANAhelsinki customers, so there is no need for reducing the labor costs by moving the production abroad. (Suhonen 15.10.2007)

3.1.3 Future plans

IVANAhelsinki has kept on growing during the ten years it has been operating. The company’s strategy has always been focused on internalization, since the markets are very limited in Finland (Suhonen 15.10.2007).

In the future IVANAhelsinki is planning to open new stores outside Finland. These shops are going to be operating on a franchise basis, and will follow the similar style as the Campus store in Helsinki. The goal is to open three shops within the next two years. The first shop will be in Copenhagen, where a suitable location has already been found. (Aro 2007, [retrieved on 10.10.2007].) Also, the company is constantly looking for foreign partners in order to enter new markets. Joint ventures are preferred in some countries, since it is mandatory to have a local partner for entering the markets because of legal issues. (Suhonen 15.10.2007)

3.2 Creation of the Web store

IVANAhelsinki is opening its own Web shop before the Christmas of 2007, the exact date is still not decided. The store will be located on the company's own Internet page at www.ivanahelsinki.com.

The technical framework for the online store will be provided by a Web design company called White Sheep. The visual image of the store will be designed by Paola Suhonen in order to make the store to fit the overall image of the Company. Since the Web store will be a part of the company's own web pages, it must be in accordance to their visual image as well. The company is aiming at making the shop a seamless part of the company web pages.

In order to keep the content of the store interesting and to update the product information frequently enough, IVANAhelsinki will take care of the maintenance of the online store. In case of unexpected technical problems, the company should contact experts as soon as possible.

3.2.1 Layout

Since IVANAhelsinki operates in the field of design, it is very important that the visual image of the Web store is stylish and in accordance with the company image. However, the concentration on the visual side should not overlap the functionality and the usability of the store. The company must bear in mind that the main purpose of the store is to sell the products.

The products will be presented in a similar manner as in the Campus store in Helsinki. There will be twelve products available at a time in order to keep the store looking airy and not too crowded. Each product must have its own space in the online store, just as if the product was hanging in the physical store. The whole online store is based on the idea of a limited collection, offering the customers only few products at a time but making sure that the selected products are the most interesting ones with some rare specialties available only in the Web store.

In the IVANAhelsinki store it is important that the overall look of the shop is interesting and appealing to the customers. Therefore, the products are arranged by color, and not in the usual way of putting different pieces of clothes in different categories. Since the number of available products is limited, this system will work better than creating many different categories, such as shirts, dresses, pants, and then having only one of two products in each.

The products must be presented as clearly as possible. There should be at least two pictures available, one from the front and another from the back, in order to convey an overall image of the product. Also, additional pictures could be added if the product has any special features, such as hand-made embroidery.

3.2.2 Marketing of the Web shop

A new Web shop is not automatically found by the consumers. In the beginning of the Internet store's life cycle, it is important to raise people's awareness and attract new visitors to the site.

In IVANAhelsinki's case, they have the advantage of an easy and memorable URL address. Since the shop will be located in the company's own Internet page, visitors are likely to notice the shop even if they are looking for some other information about the company.

Target group

IVANAhelsinki's customers have normally been young and urban females who are interested in Finnish design complemented with ethical values. However, the customer base has become much wider during the past few years, as the age structure of IVANAhelsinki's customers goes nowadays up to sixty-year-old ladies (Suhonen 15.10.2007).

IVANAhelsinki's Web store is going to have three main target groups.

- The first group is people who are interested in IVANAhelsinki brand but can not visit the actual store because of geographical reasons. These visitors are most likely to purchase something during their visit, since they already know the company and its products.
- The second group contains people who visit the company's Web site and find the store at that time. These users are interested in the company but may not be familiar with its products.
- The third target group is people who visit the company's own Campus store in Helsinki. The online store will carry several unique products which are not found anywhere else, hence the people who visit the flagship boutique are also encouraged to explore what the online store has to offer.

(Suhonen 15.10.2007)

The Web store is a good way to introduce the IVANAhelsinki design to people who would not normally get familiar with it. Since the company has only one own store in Helsinki, the Finnish people who live in other regions have not been able to explore these products before. The same goes for the foreign customers. Pirjo Suhonen explains that she receives e-mails on daily basis from people who would like to buy IVANAhelsinki items but do not have a retailer in their own country or city. These people will be the main target group for this new Web store.

Marketing means

IVANAhelsinki is not using any traditional marketing channels in its normal offline marketing. The company has not had any TV commercials or advertisements in printed publications. The company is relying on the brand's own attraction power. The company is gaining publicity by being present in different events, which fit the company profile. For example, participating in different movie productions by borrowing the clothes for the actors or organizing fashion shows for selected representatives of the media are great ways to present the collections to the public.

The marketing of the online store will not be any different from the normal marketing structure of the company. The company is not interested in using links or banner ads for its online marketing. In fact, the company is not planning to do any online marketing, since all the marketing needed will be conducted offline. (Suhonen 15.10.2007)

A press release will be distributed to both Finnish and foreign media contacts to gain wider awareness of the Web store. Also, the existing customers listed in the customer register are informed about the new store. Overall, there will not be any marketing campaigns for the online store alone.

3.3 Providing quality e-Service

IVANAhelsinki is always providing its customer's with good customer service, regardless of whether the customer is a retailer or a private consumer. Since all the contacts with the retailers are handled by a single person, Pirjo Suhonen, the relationships with them are largely relying on the personal contacts. The same level of personality is seen in the Campus store in Helsinki, where the sales personnel are always willing to help the customers and trying to meet their needs.

The same level of customer service must be offered in the Web store as well. However, the means will be different since the Internet eliminates the personal contact between the merchant and the customer.

3.3.1 The shopping experience

IVANAhelsinki is aiming at providing its customers with unique shopping experiences when they are visiting the Campus store in Helsinki. The experience is created by the overall looks of the store, the presentation of the products, the music and sales personnel. This same experience is the goal of the online store. The visitors can take their time with getting familiar with the products. As they have chosen what they want to buy, they can create a customer profile for logging in and conducting the purchase.

The online store could contain some special features in order to keep the shopping experience interesting and appealing. For example, there could be additional stories about each piece of clothing. There could be the designer's comments on how the idea for that specific product was created and also who has sewn the piece of clothing in question. This would offer the customers a better view on how the product has been created.

The IVANAhelsinki store will be operating in two languages, Finnish and English. Pirjo Suhonen is confident that these two languages will be sufficient. She believes that the majority of the target customers of the online store is able to understand English. (Suhonen 15.10.2007.)

Most people are looking for cheaper prices as they shop online. The IVANAhelsinki Web store will have the same price level as the Campus store in Helsinki. Pirjo Suhonen explains that their customers are not price sensitive at all, so the price is not a factor when people are buying their products. Therefore, no special offers are available online. IVANAhelsinki never has traditional end-season sales in the offline store and the company feels that cheaper online prices would not fit its image. The IVANAhelsinki products are seen as high quality, hand-made items and reduced prices would have a negative impact on the brand image. The company believes that the online customers are not looking for cheap IVANAhelsinki products but rather a wider selection of the products. (Suhonen 15.10.2007.)

3.3.2 Placing an order

If a customer wants to buy something from the Web shop, he/she must first register to the pages. As a customer profile is created once, the details are saved into the company's customer database. The second time the same customer wants to place an order, the program will remember his/her personal details.

As the visitor is logged in to the IVANAhelsinki's Web shop, he/she is ready to place an order. Selecting the right products should be done as easy and logical as possible for the customer. As the right size and color are chosen, the item is placed in the virtual shopping cart, and the customer is ready to move to the checkout.

In the IVANAhelsinki Web shop, the order can be paid only with credit card. This is the most convenient way to complete the payment. The credit card is the most used payment method for online purchases, and therefore it is going to be used in this shop as well. (Suhonen 15.10.2007.)

Even though the cash on delivery payment is relatively safe and cost efficient method in domestic orders, it will not be offered in the IVANAhelsinki online store. Pirjo Suhonen believes that there is still a small risk in this method, since the package may end up waiting at the post office if the customer decides not to claim the order. As the credit card payment is completed right away, the customer is more likely to be committed to picking up the order. (Suhonen 15.10.2007.)

As the online store evolves and the orders increase, other payment methods should be considered. In order to improve the customer service in the store, additional payment methods should be added.

3.3.3 Handling the orders

When people buy online, they are expecting fast deliveries. In most online stores, the customers must pay the order in advance, which means that they are usually not willing to wait very long before receiving the package.

IVANAhelsinki has its office and warehouse at the same location, which makes the handling of the orders fast. As the orders arrive to the company's computer, they can be processed immediately. The availability is confirmed at once and the customer's order can be packed and shipped right away. At IVANAhelsinki's Web shop, the stock situation will not be shown directly to the customers. Therefore, if the product the customer is requesting for is not in

stock, the customer must be informed immediately. Also, at the same time the company must inform the customer which sizes are available and in which colors. However, this system might frustrate the customers if they are forced to change their orders many times because the requested item is not in stock.

The packaging of the orders is an important part of making the customers feel like their purchases are unique. All the orders will be packed carefully into special IVANAhelsinki boxes, in a similar manner as if the products would have been purchased in the offline store. The package could contain some extra surprises for the customers, such as post cards, press photographs or written information on the next season's collection.

The Finnish customers will receive the orders via Finnish Post Office, and the foreign customers by General Logistics Systems, GLS (Suhonen 15.10.2007). The company could also offer the customers a possibility to choose another delivery method if they want. This could be requested by e-mail, for example. This would of course make the payment system more complicated, but it would be a sign of a quality e-service.

3.3.4 Contacting the company

Internet stores lack the personal contact between the seller and the buyer. Therefore, the customers need an easy and reliable way to connect the company if they have any questions.

In order to make the customers feel like their questions are solved easily, IVANAhelsinki is offering them three ways of contacting the company personnel. The Web store will contain company's e-mail address, phone and fax numbers to ensure the customers an effortless channel for contacts. In addition, the company could offer the customers a FAQ-page, where the most often asked questions will be presented with detailed answers.

The problem situations are a valuable factor when it comes to improving the customer service online. As complaints are solved, the company is getting more familiar with the weak links of the online store. In IVANAhelsinki's case, the company is just beginning its online operations, so the possible unsatisfied customers are a key to improving the online service. Hence, the complaints must be addressed properly and without any delays. The faster the company solves the problem situation, the more likely the customer is to come back to the online store. IVANAhelsinki has very close relationships with its retailers and the company is used to solve their problems in order to keep them satisfied, so the online store will not be any different form that.

3.3.5 Channel for returns

Since IVANAhelsinki's main products are clothing items, the company must be prepared for product returns. The main problem in online clothing stores is the fact that customers can not try the clothes on before buying them. Therefore, the company must have an easy channel for product returns.

Minimizing the possibility of choosing a wrong size can reduce the number of product returns. The Web store should contain detailed measurements of each product in order to make the choice easier for the customer. From a quality e-service point of view, the clothing sizes and measurements should be presented in European, UK and US styles for serving also the international customers.

Returning a product should not cause any costs to the customer. If the customer is forced to pay the return himself/herself, he/she might be discouraged to make any purchases at all. However, a cost free return policy can arise some unwanted actions as well. For example, if a customer does not know which size will fit him/her, he/she might order two of the same product in different sizes. This kind of customer is not even planning to keep both products, and after fitting the sizes, the other product will be returned. This will bring extra costs and additional work load as to the company.

The company must be prepared for the fact that some of the returned products might not be re-sellable anymore. It is important to underline the customers that the returned products must be unused and in a flawless condition, otherwise they might have to pay for them. Clear rules for the product return policy must be presented in the Web store in order to minimize the misconduct. When it comes to IVANAhelsinki's case, Suhonen believes that since the products are relatively expensive, the customers are likely to consider the purchases carefully, resulting to fewer product returns (Suhonen 15.10.2007).

3.4 Goals of the new Web store

Setting realistic goals for the new online store is crucial. If a company is planning to enter the online business, it must make clear financial, technical and marketing plans. These plans can then be used in setting goals for the whole Web shop project. However, as the online store starts its operations, the company must adjust the plans according to how the business evolves.

3.4.1 New markets

One of the main reasons why companies want to enter the online business is to conquer new markets. The same goal applies to IVANAhelsinki's case, but the reasons behind it are a little different. The basic idea of the online store is an ambition to serve the existing and potential new customers better. IVANAhelsinki wants to offer its customers an effortless way to buy the products regardless of the location and time. There are many potential customers who would be interested in these products but have not had a retailer near them before.

At the moment, IVANAhelsinki has retailers and therefore customers in over 20 countries. The online store is expected to raise that number considerably, but no exact numbers are set as a goal.

(Suhonen 15.10.2007)

3.4.2 Financial goals

Making a detailed budget for the online store project is very important part of the planning stage. IVANAhelsinki does not have any pre-set financial goals for the Web store. The company has not set a target for how many orders there should be per day or what should the value of one order be in average. The company is concentrating more on getting the shop started and seeing how the operations begin. Afterwards, the company can make more detailed plans based on the success of the first months of online business. (Suhonen 15.10.2007.)

The opening of the online store will be a part of a bigger project which will update the organization's other operations at the head office as well. Therefore, the budget for the online store is covered in the financial plan of this larger entity. It means that the costs of setting up the online shop are covered in a larger budget. Therefore, there is no financial pressure in receiving as many orders as possible at the very beginning of the online operations.

As the online store starts to operate in December, there should an estimate for the expected orders. The plan should be made in order to conduct the production realistically and to be able to locate adequate amount of time each week for fulfilling the orders. The production must be planned clearly to ensure that there are enough items for the online store.

3.5 Comparison to the IVANAhelsinki retailers' Web stores

This part of the thesis will look into how some IVANAhelsinki retailers have executed their online stores. The goal is to examine which features of these stores are good and which could still be improved. The aim of this section is to find out where people have been able to buy IVANAhelsinki products before and to compare those shops to the upcoming IVANAhelsinki Web store.

The most notable issue in this study was the fact that there were just a few IVANAhelsinki retailers who even had a Web shop. Therefore, this thesis will contain an analysis of three Web shops; Finnish Design Shop from Finland, Swedish Unik Design and Danish Sally B.

3.5.1 Finnish Design Shop

Finnish Design shop is a Helsinki-based company, which sells Finnish top design. The company has been the only Finnish online retailer for IVANAhelsinki products so far.

At the moment, Finnish Design Shop is selling over fifty different brands. As a visitor enters the site at www.finnishdesignshop.fi, he/she must choose his/her home country before entering the actual shop. The first impression of the page is rather confusing, as some of the brands have their logos and other pictures presented right away. There is too much information presented at the front page.

The pages are relatively easy to navigate in, and it does not take much time to find the IVANAhelsinki section from the store. The products are presented clearly, and by clicking the pictures, more detailed product information is provided. However, there are only six IVANAhelsinki items in the store and all of those items are from last spring/summer collection or even older. Thus, the Finnish Design shop is not offering any novelties for a true IVANAhelsinki fan.

There are a few negative features in the Finnish Design Shop. The products are presented with only one photograph, and it is impossible to know how the products look from the back side. Also, there is one product which is completely sold out, yet it remains in the store. The measurements of the clothes are not detailed at all, which makes it difficult for the customer to choose the right size.

The shop itself is executed well. The registration to the shop is easy and placing an order is possible even if the customer does not want to register. There are three payment methods available;

credit card, cash on delivery and a bank transfer through a Finnish online bank. The delivery is carried out by Finnish Post office or United Parcel Service for international deliveries. The customer can choose either direct delivery to his/her home or to the nearest post office.

The Finnish Design Shop offers the customers a possibility to return the ordered products within 14 days. The return policy is clearly specified and there is also a customer service phone number for questions. This is a good feature since it specifies the customers that they can return the product if they want, but it must be in flawless condition in order to get the money back.

Overall the Finnish Design Shop is a good place to buy IVANAhelsinki items, since the shop is easy to use and placing an order is clearly guided. The visual image of the shop is not very stylish or design related in any way. The shop has concentrated more on the usability than the looks of the pages.

(Finnish Design Shop, [retrieved on 12.11.2007])

3.5.2 Unik Design

Unik Design is a Swedish online store, which has been selling IVANAhelsinki products for approximately one year now. The company is mostly concentrating on the online business, but it also has a small boutique in Malmö, Sweden. The shop sells almost twenty different brands mainly from the Scandinavian countries.

The first issue in the shop is that it is operating only in Swedish language, which suggests that the store is more aimed at the Swedish customers only. Not only is the language a problem for international customers but also the prices, which are presented only in Swedish Crowns.

The IVANAhelsinki section is easily found from the list of designers. There are ten IVANAhelsinki items in the shop, which makes the selection is rather versatile. All the items are from the current fall/winter season, and in addition to the clothes, there are also two different handbags available. Some products have more than one picture, and the verbal descriptions of the products are somewhat detailed.

Unik Design offers its customers few payment options. If the customer lives in Sweden, he/she can choose from several payment options but the international customers can use only credit cards or direct bank transfers. The delivery is always carried

out by Swedish Post, either directly to the customer or to a post office nearby.

The visual image of this Web shop is clear and relatively appealing. It is very notable that the Unik Design Web shop is aimed more at women than men, since the colors and pictures are very feminine. One special feature that the shop offers is shopping according the size, which means that the customer can choose his/her size and the shop displays all the items which are available in that size.

(Unik Design, [retrieved on 12.11.2007])

3.5.3 Sally B.

Sally B. is a Danish Web store, which sells approximately ten different brands. This is the newest online retailer of IVANAhelsinki; their cooperation started during this fall.

The first impression of the store is very stylish. The store is operated in Danish and English. The Web site has rather homemade look, which fits perfectly to IVANAhelsinki's image.

Again, the navigation is very easy and the IVANAhelsinki clothes are easily found. There are a few lines written about IVANAhelsinki's background, which helps the customers to get to know the brand better. The presentation of the products is very clear at Sally B. All products have five to six photos from different angles showing the most important details of each piece. The size information could be a little more detailed. The length of each dress is presented in centimeters and inches but no other measurements of the clothes are provided.

Placing the order is very easy, but there is no possibility for registering to the shop, which makes it inconvenient for the customer to shop more often. Since there is no log in, the customer is forced to fill in his/her details every time he/she wants to order something.

The visual image of this online shop has many similarities to the IVANAhelsinki's image. The hand-drawn-looking pictures and company logo are a little playful but at the same time very effective and interesting. The shop does not carry too many different brands and therefore the customers are more likely to find the IVANAhelsinki products.

(Sally B., [retrieved on 12.11.2007])

3.5.4 Positive features of the shops

This chapter will list the best features in the above mentioned three online shops. These features should be considered in the IVANAhelsinki Web shop as well.

All the shops are designed in a professional manner and they are easy to navigate in. The consistency of the navigation elements is relatively well executed, and finding the wanted products is effortless. Browsing through the different products is simple and placing an order is made clearly and easily.

The presentation of the products is the best at Sally B. online store, mostly because of the plentiful use of pictures. The IVANAhelsinki online store should offer its customers similar presentation of the products. Each product has enough pictures to present the details, thus giving the customer enough information to ease the purchasing decision. Also, the close-up pictures are useful in showing all the smallest details of the product.

All the shops offer several payment options for domestic customers. Also, the foreign customers can pay either with a credit card or a bank transfer. Offering different payment methods shows an interest in serving the customers well. Overall, the Sally B. online shop is the best place for international customers to get familiar with IVANAhelsinki products.

3.5.5 Negative features of the shops

The three online shops examined in the previous chapters have quite a few features, which make the shopping experience unpleasant.

From the visual point of view, the Finnish Design Shop online store is the least appealing. The front page is filled with different pictures and brand logos, and the long list of brand names at the left side of the page is very unattractive. Overall, the design of the three online stores is not very innovative or extraordinary. There is not much information on the companies behind the clothes, and the customer is left to search that info on his/her own. None of the three shops offer the customer any special shopping experiences.

The Finnish Design Shop and Unik Design are quite different from the upcoming IVANAhelsinki site visually. The shops do not look like they are selling top design. Both shops look a little cheap and therefore are in contradiction with the price level of the products. The image of the Web stores does not fit the high quality image of IVANAhelsinki.

The biggest problem with the Unik Design shop is the fact that it is concentrating mostly on the Swedish customers. The language and currency problems are very likely to discourage international customers from making any purchases. The shop is a good place for Swedish customers to buy IVANAhelsinki items but does not offer much to the customers from other countries.

All the shops could have more detailed size information since they are selling clothing items. The numeric sizes such as 36, 38 and 40 may have different meanings in different countries. For example, the French size 36 is equivalent to size 34 in Germany and 40 in Italy (Online Conversion, [retrieved on 12.11.2007]).

The usability of all three shops is good but the visual side is not taken into consideration that much. IVANAhelsinki could consider including similar layout and navigation systems in its own Web store, but the company must pay more attention to the looks of the pages. Since the company sells luxury products, the Web store must be in accordance with that.

4. Conclusions

The online business is getting more and more successful and widely used nowadays. Many customers are looking for alternative products and services through the Internet and the competition in the online world is severe. The online business is too important to be ignored for any company in today's business world. The benefits of the online business exceed the drawbacks if carefully planned and operated.

The customer orientation is important in an online store, since there is no personal contact between the seller and buyer. In the online environment, the customer is the boss, since the competition is always just a click away. As the thesis explains, there are many different aspects which together create the shopping experience and customer satisfaction in an online store.

The IVANAhelsinki online store is scheduled to be opened during December 2007, and the company must be prepared to take the first steps into the online business. IVANAhelsinki's main goal in the online store is to provide its customers a new channel to buy the products. The online store is not set up for receiving great profits but rather to offer the customers even better services. The company receives questions on a daily basis from potential customers, who would like to buy the products but do not have a retailer in close distance. Therefore, the online store is based on the existing customer demand.

The online store will provide an excellent channel for new customers to experience the unique shopping environment as in the IVANAhelsinki offline store in Helsinki. The company must bear in mind that even though the online store is an extension to the current business, the online customers are expecting the same level of service as the offline customers. Even if the online store is not the main source of profits, the online customers must not be treated as less important than the offline customers.

The IVANAhelsinki online store should have some special features in order to make the shopping experience more unique than in other online shops. The store should provide the customers with experiences, which can not be obtained anywhere else in order to keep the customers. Constant updates are expected to keep the online store interesting and to attract the customers for a second visit to the store. The company has already decided to offer online customers products that are only available in the Web store, and other creative ideas should follow. The overall shopping experience is created by the visual as well as the technical features of the shop. The basic idea behind the online shop is an easy, effortless and enjoyable shopping experience.

Interactivity with the online customers is crucial in this project. As the online store begins its operations, the customer feedback must be collected and examined carefully. The customers' wishes must be taken into consideration in order to improve the online customers' satisfaction. For example, if many customers are requesting for different payment or delivery options, the company should consider adding them to the shop.

The main goal of the thesis was to offer IVANAhelsinki guidelines for starting the online business and concentrate on the e-service point of view. The thesis points out how the company can offer the online customers high quality service and accordingly increase the customer satisfaction.

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