

Assignment 1 - E-Commerce - Written Report

by Luke James Evans

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TIME SUBMITTED	16-FEB-2018 11:56PM (UTC+0000)	WORD COUNT	2721
SUBMISSION ID	83300812	CHARACTER COUNT	15273

Introduction to Organisation

This report will go discuss the e-commerce aspects of the organisation, Debenhams. Debenhams is a B2C organisation which sells their number of products to customers all over the world [1].

Debenhams target audience isn't too specific due to the large number of varied products that they provide.

Using a SWOT analysis, I will now discuss the strengths, weaknesses, opportunities and threats for Debenhams.

Strengths	Weaknesses
Sell a large variety of products and brands Multiple stores in countries across the world Online Store Cafes within stores	Some countries that can be delivered to don't have physical stores Cannot yet deliver to every country
Opportunities	Threats
Expand to more countries Introduce new products and attract more customers Advertisement (Online, TV)	Other competitive retail stores Brexit

Debenhams would most certainly attract B2C customers as opposed to B2B. They sell things such as, Beauty products, clothes, furniture and electrical appliances; these are types of products that the everyday bystander would purchase. Perhaps you could make the argument that another business might buy shirts in bulk for example, but it's more likely that each shirt would be bought by individuals.

Debenhams may have some external threats that may harm their business, firstly, Brexit will affect all business within the UK, but Debenhams will be hit badly by it. Despite Debenhams being a world-wide business, it is a UK based organisation and the majority of its physical stores are in the UK. In fact, Debenhams receives 19% of its revenue from foreign countries [2].

Another threat would be the other competitive retail stores based in the UK, especially the ones that somehow benefit from Brexit. Depending on how Debenhams come out of Brexit, they are in danger of losing customers to these competitors who have managed to maintain brand deals and who perhaps can afford to lower certain prices to attract further customers away from Debenhams [3].

Potential Customer research

Asking potential customers about the Debenhams website is a great way to spot ways where the site can be improved or altered. One potential customer had a few alterations that they decided to mention; firstly, they felt that any form of customer service was difficult to find, the home page for the site is rather large and the customer service links are right at the bottom of the page so they suggested to have it more visible and let it have its own section in the navigation bar. Another suggestion they had was that they thought that the social media links should be more visible because they too are currently at the very bottom of the home page, so perhaps have them moved to the top bar or even have their own navigation bar section. They did also suggest for the site to have a bit more colour, the whole site has a very simplistic design with a black and white colour scheme which might look more professional but maybe they're missing out on attracting customers with more flattering colours schemes.

See the Appendix for the Procurement diagram.

This diagram simply shows how Debenhams' procurement is obtained; they will order directly from each company/brand and these products will be delivered to their physical stores to then sell onto customers.

Debenhams' E-commerce business model

This part of the report will discuss and analyse Debenhams e-commerce business model using the following appropriate framework.

The framework that will be used is Timmers 8 key elements. The first element is value proposition which is essentially why a customer would buy from your business over another. Due to their large number of competitors, they may struggle to keep customers consistently coming back; however, they do use successful propositions such as discounts on a range of products, customers may receive discount codes to use on their next order which would encourage them to return and click and collect which allows a customer to save money on delivery by collecting their purchase at their nearest store and this might be an option that their some competitors may not offer to them.

The second element is revenue models which is how the business plans to generate revenue and profits. Debenhams have a few ways of generating revenue through different model, one being an advertisement revenue model; this would include all their content within their website which will attract customers as well as social media usage for the business and television adverts.

The third element is Market opportunity which is what marketplace the business resides in and what size it is. The retail marketplace is very popular with customers but with Debenhams, you can't pin point a specific section of it for them to excel in because they offer so many different products. Clothing and beauty products seems to be their main focus of interest and there is a high demand from customers so this gives them great opportunities to continue to grow their customer base, audience and organisation [4].

The fourth element is competitive environment which is all the other businesses within the same marketplace. All these competitors of Debenhams are selling similar products, if not the same brands. It's difficult to tell if Debenhams is exceeding its competition just because the majority of the large companies within that marketplace (Debenhams included) are all so similar but still compete for customers; due to those sorts of companies being so similar but constantly attempting to have a slight edge over the competition, customers can pick and choose where they purchase their products from depending on either preference or certain deals that are on [5].

The fifth element is Competitive advantage which is what edge does a company bring to a market space to be competitive. Now obviously, one advantage that Debenhams might have over some competition is that they're a global organisation which means they can deliver their products to a much larger number of countries in comparison. Another advantage they may have over competition is that they have some very well known brands that they sell products of which will attract customers; Debenhams itself is very well known with a history behind it which will encourage awareness to potential customers anyway. One other advantage they'll have is that they do sell off brand products that are exclusively sold by Debenhams so if a customer wanted one, they'd have to go directly to the Debenhams online store. Debenhams also use leverage and their experience as a business to expand into new markets and experiment with new products to increase their customer interest [6].

The sixth element is Market strategy which is how a business plans to promote its services and products. This issue with this for Debenhams is that the products they sell are branded and the companies who own those brands tend to do their own advertisement. Debenhams would help promote themselves to an audience by showing what brands they have to offer to a potential customer. They use methods such as TV advertisement, social media or images on their website to attract their target audience [7].

The seventh element is Organisational development which is how the organisation is structured so it can then carry out its business plan. Now Debenhams has its business in physical form split into its individual stores which would have normal staff and the management of that specific store. They will also have higher management which will work from a headquarters who will oversee any large decisions depending on which department they're in; for example, products, social media, website departments will all have their own team whose decisions will be finalised by the CEO/team. Using this structure, Debenhams intend to focus on their UK retail as well as expanding internationally [8].

The eighth element is Management team which are the employees that are trusted with forming the company's business model. Debenhams definitely has a management team, without it, they wouldn't be the large organisation that they are today. The management team will change the business model depending on what the market space looks like; changes will be made to take advantage of new trends for example. They will undergo extensive research into the market space to uncover any advantages that they can implement into the business strategy. The management team will also set goals that the store or business will attempt to achieve over what tends to be a quarter (3 months) [9] [10].

Recommendations for E-procurement and E-marketing for Debenhams

The following part of this report will discuss recommendations for Debenhams' e-procurement and e-marketing using appropriate frameworks. Both E-procurement and E-Marketing are essential parts of E-commerce and are used within Debenhams and almost every single organisation with an online presence.

The E-procurement system within Debenhams is very standard and will be used in most organisations within the same retail market space; Individual stores will perform an audit of their inventory perhaps everyday and based on the results, the store will then order more of certain products to ensure they have enough of that item to sell onto customers for the next day/week. A recommendation for Debenhams would be to use these audits to discover which products sell well, so maybe they consider increasing the stock that they keep in store, as well as products that don't sell much and this might mean that the store considers passing this data onto higher management within the company; if enough stores have a specific product selling poorly, they can remove it from each stores stock and replace it with a new product that will hopefully sell a lot more [11] [12].

A recommendation for Debenhams's e-marketing model would be to use SOSTAC (Situation, objectives, strategy, tactics, action and control) which is a marketing model that can be applied in a number of circumstances. This is a common option for organisations to use to structure their business plans that they hope to implement in the future. Each letter has a meaning behind it, situation helps identify where the business is at currently, objectives will set goals for the business to strive for and to give them a direction, strategy is how the business plans to set out and achieve the objectives that they have set, tactics is planning out more in depth how the business will approach the goals they have set, actions are used to figure out which departments will do what when and when they'll carry it out and finally, control which will be how the entire process is overseen. SOSTAC is a very popular strategy for most businesses to take onboard when wanting to progress in their market space [13].

Recommendations for the internationalisation of the site

Debenhams currently has the ability to deliver their products to over 60 countries across the world, but if they wish to expand more, they need to take into account the internationalisation of their site and using Hofstede's dimensions of culture we can give recommendations on this topic. Hofstede's dimensions of culture are a framework that organisations use for cross-cultural communication; it makes it easier for a viewer in a different country and culture to read and navigate their site.

See Appendix for United Kingdom vs. China cultural differences [14].

Using China as an example of a country that Debenhams were planning on expanding to, we can see that in comparison with the United Kingdom, there are a few cultural differences that may influence changes that the Debenhams management team will make when creating a Chinese platform on their site. An example of a change they may consider making would be the whole structure of how their website looks and the reasoning behind this is that the Chinese language works differently to the English language. They'll also take into account that there are a couple of languages that are spoken in China so they would have to be added in as options to switch to. They may even consider changing the whole colour scheme of the website because different countries and cultures respond better to certain colours.

As you can see from the image in the appendix, the power distance is a lot higher in China compared to the UK so this means that Debenhams may have a picture of their CEO on the home page so the potential Chinese customers know who's in charge of the organisation. Chinese companies will often show their CEO's in this manner due to their high levelled power distance.

Implementation issues for the Organisation

This part of the report will discuss implementation issues for Debenhams as well as future recommendation for site features.

There are issues that Debenhams will come across while implementing new things or innovations into the site. One issue would be negative customer feedback via social media; Debenhams appearance to the public is very important because it's what helps them have advantages over competition in their market space. An example of negative customer feedback would be from over Christmas time, at the time there was obviously a high demand for certain products and delivery and Debenhams made the implementation of keeping their 'next day delivery' policy over this busy time. This is a smart business move because it might be something they are offering that their competition isn't, however, they came across some issues and some customers found that their products were arriving rather late or being cancelled without them knowing all together. Via social media pages such as Face book and Twitter, customers expressed their outrage publicly and Debenhams social media team then had to sort out everything and ensure they replied and helped each customer in distress mainly because if they didn't, it wouldn't look good to the public (See Appendix for Dissatisfied customer and Debenhams reply screenshot) [15].

As for recommendation for site features, a product like the Amazon Echo could easily be implemented into the workings of the site and highly benefit the organisation and customers of it overall. The Amazon Echo could be linked via the website and signed into a customer's account; so long as the customer had a default payment method added and they were very specific with what they are adding to their Debenhams basket, this could be a very quick and efficient way for the customer to use the Debenhams online store. In theory this sounds like a great addition to the site, however, there is an issue with the implementation of this and that is how specific a customer would have to be when ordering a product, it means that the customer would essentially either have to remember the same of the product exactly or actually be on the website and reading them off to Amazon Echo with arguably may save a small amount of time when it came to checking out and actually ordering it due to the Amazon Echo having a default set, but when choosing products to add to the basket, it might even be wasting time.

Bibliography

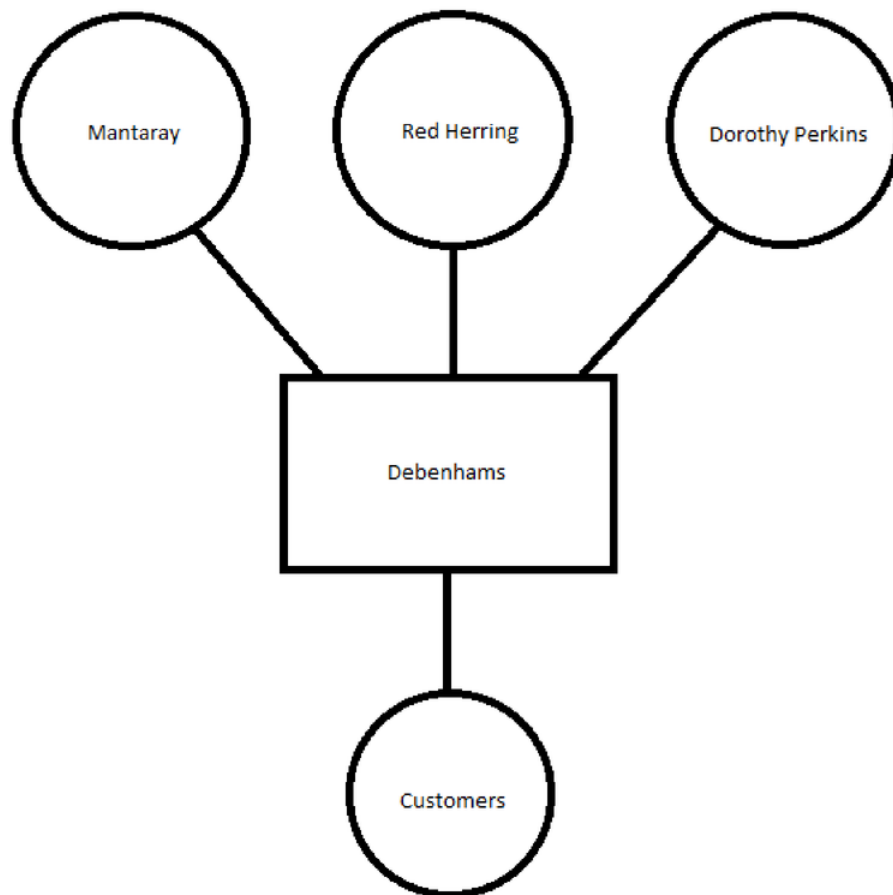
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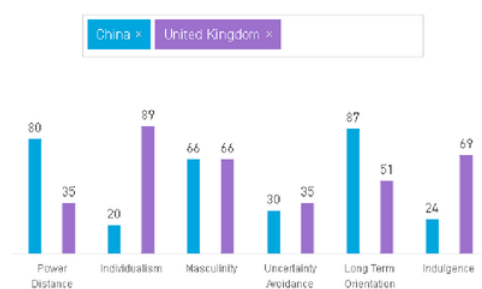
[15] W. M. Pride and O. C. Ferrel, "Using Technology To Improve Marketing Information Gathering And Analysis," in *Marketing 2016*, Cengage Learning, 2015, p. 145.

Appendix

Procurement diagram:



United Kingdom vs. China cultural differences:



Dissatisfied customer and Debenhams reply:



Stacy Korzeniewski So angry with service I have received from your company I have shopped with you for many years and this has been the worst...I ordered a ted baker onsie & housecoat paid for next day service as was for a gift which never came on time so had to go but something else. phoned your customer service was told will be with you by 6pm this was on Monday so wasted another day off of waiting...then phoned back 3 times that evening asked for manager who promised me would contact Hermes as I wanted goods and surprise no phone call so called again to be told oh sorry she passed it to somebody else that phoned in sick!!! So clearly shows no interest was showed with my complaint as no other member of staff could deal with it?? So days off wasted over 2 hours in phones and out of pocket and only getting offered a refund not happy with this at all every complaint should be dealt with straight away I shouldn't have to keep phoning and I would like a response

[Like](#) · [Reply](#) · 5w

[↩ View previous replies](#)



Debenhams - the official page Hi Stacy, I am sorry for the inconvenience. Can I take your order number please? Thanks
- Sophie

[Like](#) · [Reply](#) · 5w

Presentation

Slide 1:



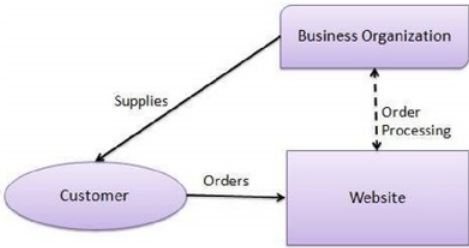
E-COMMERCE SITE DESIGN

By Luke Evans
Student Number: 150681
Module: E-commerce
Module Lecturer: Sue Maw
Course: BIT

Slide 2:

E-COMMERCE ORGANISATION - DEBENHAMS

- Retail Company with a variety of products.
- Has a physical and online presence.
- B2C – Sells it's products to customers[1].



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graph TD; BO[Business Organization] -- Supplies --> C([Customer]); C -- Orders --> W[Website]; W -- "Order Processing" --> BO;
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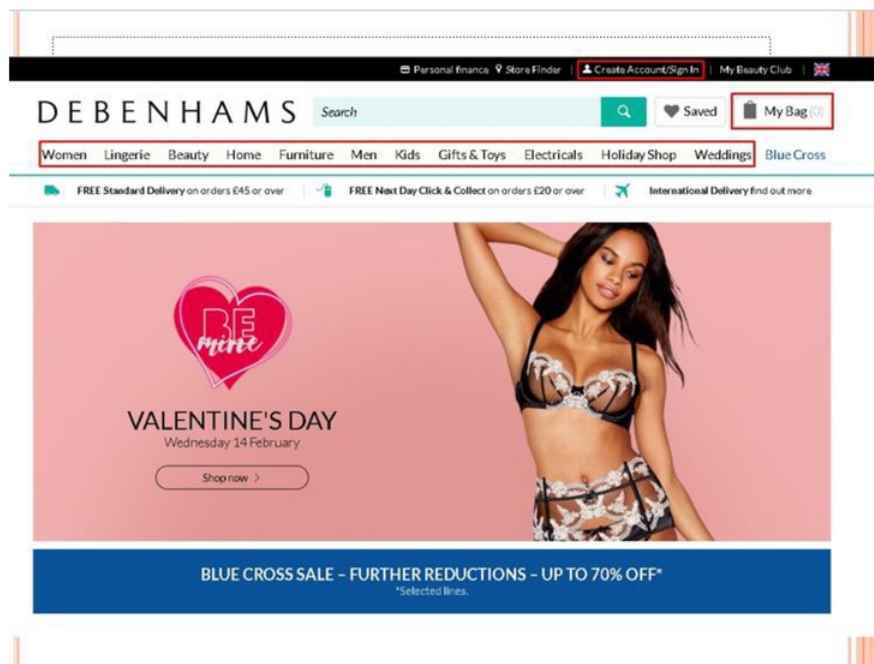
Slide 3:

WHY DID I CHOOSE DEBENHAMS?

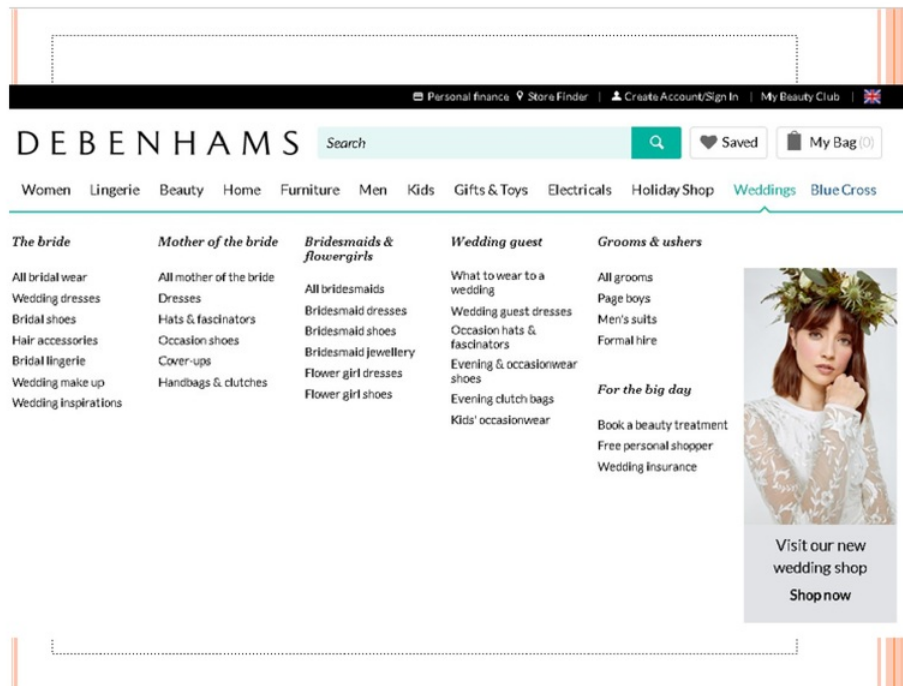
- I worked in a Debenhams Store on the tills as well as click and collect[2].
- I wanted to see if some issues that I had in store were due to issues on the website.
- I've been told about their vast online store.

DEBENHAMS

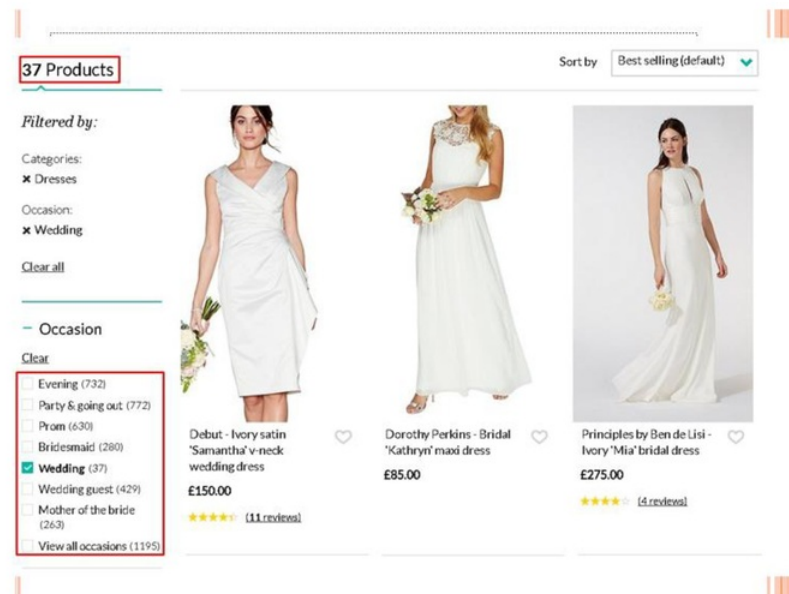
Slide 4:



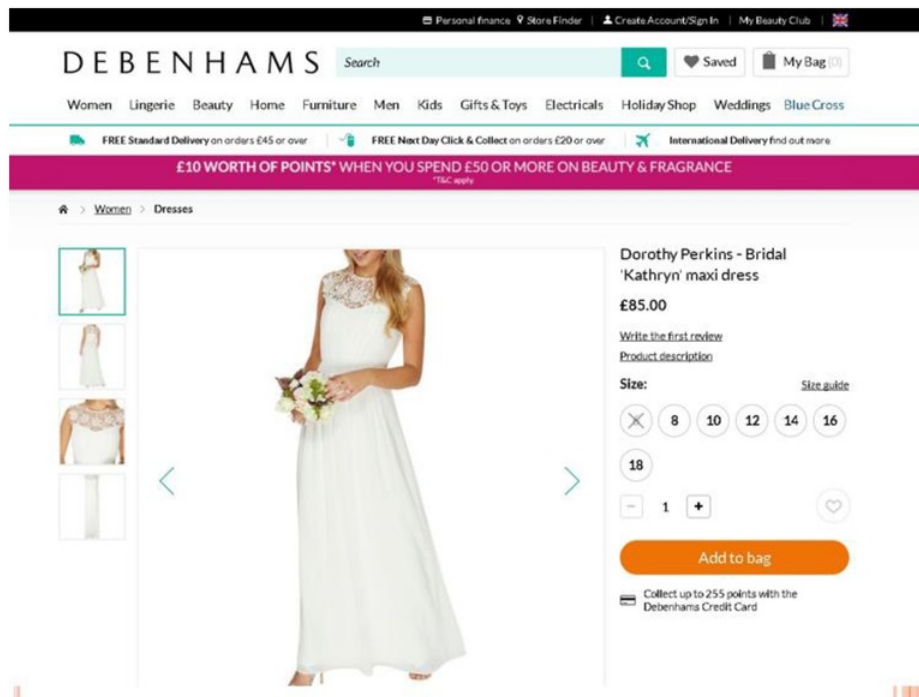
Slide 5:



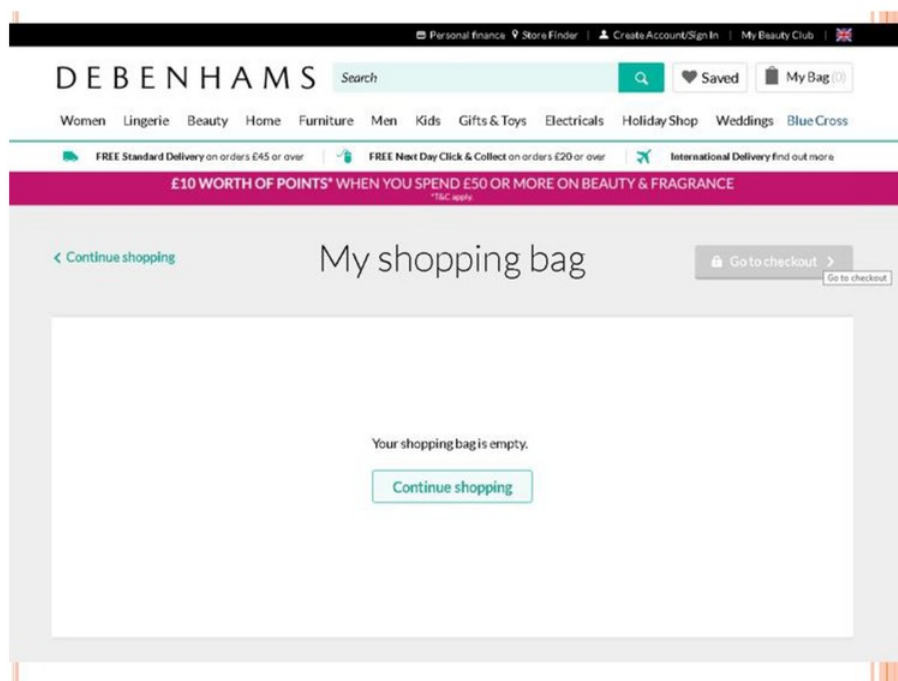
Slide 6:



Slide 7:



Slide 8:



Slide 9:

Ways of Customers obtaining purchased products

 FREE Standard Delivery on orders £45 or over |  FREE Next Day Click & Collect on orders £20 or over |  International Delivery find out more

Slide 10:

E-COMMERCE BUSINESS MODEL

- Online Store (Delivery or Click and collect)[3]
- Sells a wide range of brands and products through online services.
- Can Deliver Products to over 60 countries around the world through E-commerce.

Our business

Debenhams is an international retailer with products available either in store or online across the globe. Total sales in the most recent financial year (to 3 September 2016) were £2.9 billion.

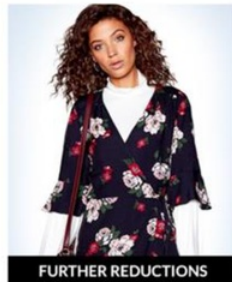
Tracing its history back to 1778, Debenhams is headquartered in the UK and owns 165 stores in the UK, 11 in the Republic of Ireland and 6 Magasin Du Nord stores in Denmark. There are a further 68 franchise stores operating in 24 countries. Debenhams products are also available online in over 60 countries.

Debenhams gives its customers around the world a wide range of brands and product lines in womenswear, menswear, childrenswear, health and beauty, lingerie, accessories, gifts and home and furniture. Half of everything we sell is exclusive to Debenhams, including Designers at Debenhams which is a range of more than 20 diffusion brands from some of the UK's leading fashion designers including Jasper Conran, Julien Macdonald, Ben de Lisi, Matthew Williamson, Jonathan Saunders and Jenny Packham. Our own brands are complemented by some of the world's best known international brands including Chanel, Estee Lauder, Levi's, Le Creuset and Nike as well as concession brands including Warehouse, Coast and Oasis.

Slide 11:

BUSINESS MODEL KEY ELEMENT: REVENUE MODEL[4]

- Online Vouchers
- Sales/Discounts



FURTHER REDUCTIONS

BLUE CROSS
UP TO 70% OFF*
womenswear



FURTHER REDUCTIONS

BLUE CROSS
UP TO 70% OFF*
home



20% OFF*
men's jeans

Shop now >

Slide 12:

SUGGESTED IMPROVEMENTS

- Have the contact page in the navigation bar.
- Have social media links at the top of each page instead of the bottom
- Mention Costa

Slide 13:

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Assignment 1 - E-Commerce - Written Report

GRADEMARK REPORT

FINAL GRADE

65/100

GENERAL COMMENTS

Instructor

Good introduction and SWOT analysis with discussion of the impact of Brexit. The source of their products (I'm guessing mainly outside the UK) and the value of the pound could be another factor here. How might they respond? For example sourcing products from the UK.

You've analysed the site with a potential customer. An improvement would be to ask them some general questions about their shopping habits before looking at the site.

Generally a good discussion of the Business Model but a couple of improvements would be naming their competitors and stating where the brand places itself (bargain, luxury...) and looking a little more at the long organisational history.

Some good points on E-Procurement. In discussing marketing you included an example of social marketing channels and it would have been interesting to evaluate the examples given..

Some good discussion of internationalisation. In places you could have been more specific, eg red is the colour of success in China.

Overall a good and competent discussion of the business with good application of theory.

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