Document of Improving E-Commerce Strategy for Xpert Company

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ABSTRACT: With the widespread use of the internet, the massive success of commerce with the internet and the need of market to a full reliable IT solution, Eservices Xpert Company aims to improve its strategy to optimise their performance, hence their profit. The new strategy proposes to make all Xpert services online by using Electronic Trading/Commerce System which helps to maintain the internet communication among its major clients and the company. Existing or potential customers of Xpert company will search for quality and price; but what is the most important regarding their demand is the need for support after the service: on-time maintenance, reliable performance, low expense, less reduced errors, time constraint, and honesty. We aim to position Xpert’s a new identity in the market, focusing on its unique management hierarchy including its new services along to the old. We hope to position its products in wider market share (that is developed and built to overcome the company's errors). Therefore, we need a full system study, developing an efficient and secure IT infrastructure. For this purpose, we will analysis the organisational environment of the company by using several ecommerce tools, and re-managing the strategy by proposing a new system which serves the interests of this company.

KEYWORDS: Ecommerce, CRM, EDI, ERP, SWOT analysis, PEST analysis, ROI, SEO.

1 INTRODUCTION

Xpert is an advertising agency which was born in Iraq in 1999 and since that time the company has been a prominent figure in the advertising and design field. Its customers are firms, businesses, establishments, home offices, restaurants, hotels, schools, points of sale, and any organization that needs an IT solution. Its services are: Marketing (Software and Hardware), strategic brand management, advertising, design and photography (graphic design, web development & design), e- Solutions and maintenance. Its customers' basic need is an IT consultancy & solution that optimizes their market share. Their buying decision is mainly affected by price, quality, and support. This website is used just for the announcement of its geographical location, services, performance and high privileges. All its businesses are tending towards web marketing; regarding its identity and its services. Our mission is to make all Xpert services online by using Electronic Trading/commerce System [1], build up full reliable IT solutions, develop effective well designed web pages, and create compelling graphic design solutions.

For this purpose, several tools are identified like SWOT to identify environment positive and negative aspects and potential for opportunities where development is required, Porter 5 forces to determine the nature of competition which is very important in business and PEST analysis to view the environment issues impacting negatively on Xpert company.

Another tools also identified for this endeavour are ERP, EDI, value networks which are proposals to the systems and intranet, extranet and other e-commerce tools to make the website more efficient [2].
1.1 **REVIEW ON PRODUCTS AND SERVICES OFFERED**

- **Marketing**: enhancing the marketing strategy by employ all available technologies to differentiate company clients' from the competition.
- **Advertising**: at Xpert understand that businesses of all sizes need to advertise. Xpert advertising services are high quality compare with its competitive which includes: promotional items, television ads, radio spots, and new media for national and international placement.
- **E-Solutions**: make company e-solutions range from simple static websites to flash animations, to client managed dynamic sites, to content development, to real-time internet applications, and e-commerce website.
- **IT Consultancy**: Xpert’s IT consultancy services cover IT system study, IT strategy development, IT Infrastructure deployment, IT system security, and IT maintenance planning.
- **Infrastructure Deployment**: Xpert efficiently optimizes an organization’s procedures by deploying an IT infrastructure system that suits the organization’s environment, services, and operations.
- **Software Development**: Xpert enhances organization’s productivity; we design, develop & maintain an optimal solution. Also, we create a custom software design, using up-to-date technology.
- **System Maintenance**: Xpert support team is ready to solve any IT related problems, from infrastructure to small PC problems.
- **Graphic Design**: Xpert creates the most compelling presentations, which will be cost effective to production. We implement a solid corporate identity strategy, handle promotional and packaging projects, and create all printed materials.
- **Web development and design**: Xpert deploys effective web page designs tailored to specific objectives. Whether programmed as dynamic, static and/or flash multimedia, Xpert knows best how to get organizations online.
- **Retail Outlet**: Xpert’s vast showroom features an up-to-date variety of best quality computers brand names, with all desired accessories.

2 **ENVIRONMENT ANALYSIS**

Several tools will use for environment analysis of Xpert’s company include the following:

2.1 **SWOT ANALYSIS**

The SWOT analysis enables us identify our strengths like integrated branding program, differentiation through technology. And opportunities like streamlined supply chain management system, good support, IT management organisation hierarchy and build on it. Also identifying our weaknesses such as lack of customer loyalty, high prices, lack of supervision and training and threats such as low prices from different market brands and increased number of competitors and block them [3], [4]. The SWOT analysis for Xpert’s company includes the following:

2.1.1 **INTERNAL ANALYSIS**

a. **STRENGTHS**

- Xpert competitive strategies are developed from exhaustive market research and innovative approaches that employ all available technologies to differentiate Xpert clients' from the competition.
- Xpert leverages brand, product and services of other companies through the implementation of an integrated branding program.
- It places the right story with the right outlet further establishing each brand’s visibility and consumer connection.
- Xpert has novel approaches to multi media.
- The director and account managers work closely with clients to help their concept become a reality.
- Hardware: good reliable brands and qualities and good support.
- Location: strategic location, well decorated and furnished to attract customers.
- Staff number is increasing. This shows the prosperity of Xpert and the availability of support.
- The facilities Xpert offers to customers thru sales: money instalments and less paper work.
- Offering a full IT package: from IT consultancy, Infrastructure Deployment, software development, system maintenance, Graphic Design, Web development & design, to hardware.
- One among the best technologies used concerning IT solutions: the SQL server and the dot net technology, which speeds up the work with high performance while accessing the solution.
- In house made solutions. This fact provides quick, reliable, proper and less expensive support.
- The "points system" to some extent motivates salesmen to generate more profit, (commission and points upon sales).
- Xpert's maintains a clear structure and clear job descriptions that are not yet found thru other IT companies [5].

b. **Weaknesses**

- Xpert does not have online selling service.
- Salesmen: Concerning hardware, the showroom lacks number of trained salesmen to assist more available customers.
- Very competitive brands exist in the markets that the company is in shortening off.
- Prices printed on every item are never updated, this inconvenience implies a wrong impression to customers about all item's prices.
- The previous strategy was to position Orange product in the market instead of incorporating Xpert's identity.
- Xpert support team lacks training and the ability to improvise right solutions at the right time. Follow up is the most important factor after sales (not testing the product after maintenance).
- Customer's loyalty. Customers have ceased their purchase maybe due to their satisfaction or maybe due to prices.
- It is as high-priced company. This surely adds a strength point to its competitors, and push away potential customers.
- New designs will be available in the market soon enough making its loose compatibility and expected profit.
- It lacks uniformity in its services. It does not offer the same unique service every time to customers. Service quality differs from time to time and from customer to customer.
- Concerning Xpert services, it should focus more on the security demand. Fewer customers are asking for such service and it should work to offer more advanced technology and strategies.
- Its infrastructure lacks supervision and serious training; this will cause us loss of potential customers or present clients.

2.1.2 **External Analysis**

a. **Opportunities**

- The internet promotes streamlined supply chain management system.
- Most of Xpert competitors have weak support, either due to the lack of staff number, or due to the distant supplying points.
- Most of Xpert competitors work as one-man show, which minimizes their support ability and their professional performance.
- There is inconsistency among all competitors’ support teams. The most perfect point to prove they are different.
- Most IT consultancies lack the existence of IT management organization or hierarchy. Hopefully they will be the starters in this field.

b. **Threats**

- Low prices of hardware in the market due to different brands found affordable for all.
- Number of competitors in Xpert market segment in relatively high; whether in hardware outlets, or in software development.
- Competitors surely have started to improve their performance and efficiency thru their solutions.
- The presence of E-commerce is a whole new increasing business. E-commerce displays very hard competitive prices and quality.
- Social and political factors do influence a customer's decision, especially in Arabic society.

2.2 **Competitive and Porter Five Forces Analysis**

To improve any company, it is essential to compare its services with competition companies' services to ensure its development and study the potential entries [6], [7].
a. HARDWARE

- Generally, hardware dealers compete thru offering variety of brand names and affordable prices. They satisfy customers’ needs by providing up-to-date tech, along with needed accessories and providing consistent maintenance. Some competitors with brand awareness might not offer desired prices only because they are already positioned in the market. They already browsed the market that is perceived as high income generating.
- Competitors along this sector offer variety of brands that suits all needs: whether thru quality or brand names and price. Customers who are quality oriented can find variety of quality brands with warranties, those who are price oriented can find different variety of price compatible products.
- Many rivals now exist in Iraq due to the strong demand for up-to-date technology and for the profit this business generates.
- Most competitors do not display within vast showrooms. They mainly depend on supplying upon demand.
- These retail outlets are mainly functioning as “one-man show”, lacking consistency and quick support.
- Rivals functioning as 1 man show reach suppliers mainly from Iraq. These competitors supply Xpert market sector upon demand, due to the distant suppliers, they need time to reach suppliers for accessories. This protects them from prices fluctuation and loss but stops their quick and consistent support.

b. SOFTWARE DEVELOPMENT

- Basic needs in accounting software are easily satisfied thru any well-developed access solution. Customers’ main needs, rather than basic accounting transactions and ordinary reports, are the less reduced errors, detailed advanced reports and easily accessed interface...some of these qualities are satisfied using the access solutions, but the advanced needs are better satisfied using the new dot net technology and a wide project study.
- Techware (software before): positioned due to lack of serious competition. No good impression towards their launched software. Sector: vegetables market and the gold market.
- CATO: First in the market, due to poor competition. Minimum number of staff generating inconsistent support. Software launched is generating complications.
- Man show: they strongly depend on their social relations and their titles (ex. Dr.). Yet, some are perceived as high priced. Their work does not stand as strong competition since they lack the presence of a support team.
- Working on Access do not highly compete with our new tech solutions (dot net and SQL server), even though his market sector includes about 95 customers because his solutions are well developed.
- Aims: complicated software (sucrat) highly priced but yet positioned.
- Dolphins: similar to orange software. Positioned.
- Softmind: a good positioned software.

However we can notice that most of our competitors are well positioned due to the old existing need for software solutions but with few suppliers. This fact gave customers minimum choice and less variety of choice which some are complicated and not well developed to match professionalism like the access application program. So, that will not match all needs. One-man show developers lack the consistent support. Yet, this doesn't mean that those competitors are not willing to improve and use same strategy we are using or same technology the company is using and then be copycats to duplicate its software.

c. WEB DEVELOPMENT AND DESIGN

- Zoomsite is Xpert main competitor. Highest customer number, big market sector. Strategy followed was door to door sales, and offering low prices; strong positioned. Weakness: no big staff implying to less creativity and weak support. Almost all his work consists of static webs, no dynamic or flash media is offered.
- There are free lancers who collect few customers relying on their social acquaintances.

d. GRAPHIC DESIGN

- Main existing competitor is Promo-add. They are competing thru long time contracts. Their professional level has declined thru time, with less staff number. Prices are very low due to quality and style of work.
- Presses stand as very weak competitors, although they are rendering graphic design projects, because they lack quality and creation.
2.3 THREAT OF NEW ENTRANTS

- Policy: new entrants will certainly spring up because this business is profitable and lucrative.
- Expected retaliation: they will definitely try to counter our strategies to steal our customers.
- Cost advantage: might offer lower prices.
- Access to distribution channels: may have better suppliers and the switching cost might be better for suppliers with better economies of scale.
- Good product differentiation and brand loyalty can make us loose customers.
- Capital requirements.

a. THREAT OF SUBSTITUTES

- Price and performance of substitutes: if prices are lower or affordable and performance excellent, our customers might switch if it cost less to do so.
- If our Buyer’s are inclined to substitutes they will certainly switch.

b. POWER OF BUYERS

- Price sensitivity: the price buyers are willing to pay for services and the price which is reasonable for us to sell in order to make profit together with the bargaining power of buyers affect the price of our products/services.

c. POWER OF SUPPLIERS

- Switching costs to alternative suppliers: due to our distant suppliers our orders or support is sometimes delayed form seven to one month so we need to find alternatives.
- Availability of Substitutes Suppliers: few suppliers are available, we would rather have a high supplier concentration especially locally.
- Importance of volume to suppliers: we order large volumes to display in our showrooms so suppliers have to keep up.
- The impact of product to cost or differentiation: We differentiate by technology and intend to do so by price as well.
- The threat of forward integration by suppliers.

2.4 ENVIRONMENTAL AUDIT

Examining factors outside the company’s control by using PEST and market audit [8].

2.4.1 PEST ANALYSIS

PEST (political, economical, social and technological) factors can affect costs, quality, and lead to innovation.

a. Political factors: also directly influence buying decision. For example, customer’s purchase ability could be diverted towards another firm due to political belonging. This is widely spread and known in Arabic country.

b. Economic Factors: The most important factor is the economical factor. We know that Arabic economy is almost in a stable recession. There are also the high prices for goods and services, and high interests. This economical situation affects the buying decision; whether to buy basic needs or to save

c. Social Factors: There is a mismatch between social classes: either wealthy or poor, the middle class is rarely found. There are also high prices for goods and services, and high interests. General competition factor influences buying decisions too. Due to personal financial situation, one can choose between buying a notebook and paying for his car repair bill or another thing.

d. Technological Factors: Due to continuous technological advancement and change, our business has to be up-to-date with the new technologies and offer support as well.

Also technological factors can lower barriers to entry, reduce minimum efficient production levels, and influence outsourcing decisions, such as R&D activity, technology incentives and rate of technological change.
3 THE PROPOSED NEW SYSTEM

By having a strategic business plan and setting realistic goals that can help us to design a successful site that will provide measurable value to the organization. Firstly, we need to properly identify the customers’ goals from the website. This includes identifying the types of users expected to use the site; prospects, clients, investors, employees, etc. And we should ask ourselves this site going to be essentially an on-line marketing brochure for the company. Clearly, internet users are a fickle group; they looking for the web site which is executed correctly to deliver them the required service. Likewise a poorly executed site will have an adverse and long lasting impact on an organization.

To improve Xpert.com, we propose it has electronic commerce so it will able to sell its products and services on the Internet, such as online retail between (B2B), or (B2C)[9]. Also we should set up an E-commerce Store with electronic payment system. This system should enable employees and users use web interface to access database easily [10]. Browsing the site should be easy and flexible for customer, with some pictures, flash and videos to clarify the product and its feature. Ensure the customer’s credit card details is safe and secure, therefore the development plan should take into account all these facilities when choosing the software for a new business plan. The languages to use for database design are oracle, MYSQL or Microsoft SQL and dynamic HTML, DHTML and Ajax, HPH language for web interfaces[11].

3.1 SYSTEM VALUE

This new e-commerce website will provide significant services and a good value to the company such as [12]:

- Reduce the time and simplify the work
- Deliver quality and value to the company
- Increase the interaction between a business and a consumer, which leads to attract more customers.
- Increase number of customers.
- Raise the company revenue.
- Raise the company’s reputation in the market.
- Give the company a good ROI (Return On Investment) to permit implementing.
- Give the company global presence.
- Improve Xpert relationship with its clients and suppliers and thus create customer loyalty.
- Improve the business, brand awareness and international presence.
- E-procurement: will speed up the company supplies; it will help integrate different departments in different regions departments in different regions.
- E-service:
  - Integrate sales and after sales service whilst providing customers with information about the product before they buy.
  - Give support by creating a single point of contact to deal with all customer relationships.
  - Fulfilment and delivery: ensure real time information access between customers and suppliers by automating the order - delivery process avoiding redundancy, errors and delays
  - Process visibility: Create process visibility across the supply chain by providing real time information about order status, prices and availability

4 ENTERPRISE TECHNOLOGY AND RESOURCE PLANNING AS A TOOL

The success of this venture requires many stakeholders hence information should flow feely among the xpert, suppliers and customers. And a unique content management system for authoring customised content to customers for different IT needs. The e-business tools below will be used by the tools mentioned to implement this strategy.

4.1 E-COMMERCE SOLUTION

Xpert will use the internet to provide its product and services to customers. In order to be able to fulfil customer orders, an e-commerce solution is needed. This would receive the order of the item demanded as well as process the payment [13].
4.1.1 CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

This ecommerce solution and online presence will lead to brand awareness. As the customer base grows, a CRM system would be needed to provide optimum customer satisfaction as often demanded. It is essential to combine business processes and technology to understand the company customers, this effective management of customer relationships could provide competitive advantage and customer loyalty and keep the customer focused [14]. Through quality, price, after sales service, customisation and personal relationships and electronic billing to reduce paper work.

4.1.2 ERP

Integrate enterprise applications use ERP systems to redesign processes to focus on the customer [15]. An enterprise resource planning system would help Xpert’s operation. It would be important in processing and fulfilling customer orders [16].

4.1.3 ELECTRONIC DATA INTERCHANGE (EDI)

EDI will enable exchange of structured information in a standard, machine process able format from computer to computer. This will eliminate duplicate data entry; improve the speed and accuracy of the information flow by linking computer applications between the company and its clients. In the other words an EDI would be necessary to share, control and ensure the agreed information flow among Xpert, suppliers and customers through the value network which is important for success [17].

4.2 VALUE NETWORK

Use a digital supply chain concept to attain both superior customer satisfaction and company profitability.

![Diagram of E-Commerce tools](image)

**Fig. 1. E-Commerce tools [19]**

5 ASSESSMENT ON TRANSFORMATION

5.1 ORGANISATION

The e-commerce solution will give Xpert a global presence, increase brand awareness and position it in the forefront of the market. This together with an effective and efficient supply chain will give Xpert competitive advantage in Iraq and internationally.
5.2 **People**

Implementing this strategy requires people, the management team in Xpert will face challenges of successfully and innovatively carrying out this task and would need to supervise and train its staff to learn and use the new system. This also requires relationship with suppliers and clients. Proper management and communication is needed.

5.3 **Process**

E-commerce solutions will change the business process, job responsibilities and tasks will also change. Order fulfilment will be done through e-procurement and streamlined supply chain management to effectively and efficiently get supplies from our suppliers to customers.

6 **Proposed Management to Change Plan**

Xpert marketing strategy is based on meeting the needs of existing and future clients. This strategy should work towards supporting the mission statement and realizing stated goals.

6.1 **Place**

- Reach auditors with demonstrating demos.
- Attain well trained salesmen or train employed staff.

6.2 **Product**

- Apply electronic payment system and provide free delivery service to customers.
- Provide on-line questionnaires to see how the on-line business is doing.
- Provide allegiance discount for purchases made on-line.
- Hardware: diversifying brands. Market survey on main brands their prices and the demand.
- Software: Review on basic needs, and quality control.
- Central and security: Project management methodology and quality control.
- Graphic design: Summary of main activities and the identity standards that should be designed
- Maintenance: time constraint; trainings and standardization of processes.
- Maximum time for maintenance should be 24 hours or **the customer should be noticed**:
  - Supplier problems will be solved by trying to pay on time, and sending them a report of what errors they are falling into that are affecting us too. For example, an assessment email to the manager informing about the critical points like defected products, delayed delivery, wrong delivery... focusing on the fact that we are following a quality management system.
  - Offers should be scheduled as follows:
    - Maintenance: a desktop maintenance should be finished in 20 to 30 minutes.
    - Infrastructure: maximum 6 working days.
    - Software: maximum one week.
    - Graphic design: one working day.
    - Web development: I working day.

6.3 **Packaging**

- Professionalism in hardware packaging for example, displaying media cards next to digital cameras or a flash memory near to blank CDs.
- Software packaging in a good way for informing customers about what is inside, and to protect what is inside also the package must carry a slogan to reflect the functionality of the software.
- As for graphic designers and the web development, brochures will be kind of a package for their work since they offer services.
6.4 **PEOPLE**

- Training company staff.
- Training, hiring more staff preferred to be experienced.
- Provide proper environment for staff.
- Motivating staff: percentage on sales, compensate overtime work, gifts, formal appreciations.
- Strengthen company team work: events like dinner for all the staff to keep relations coherent.

6.5 **PRICE**

- Prices of hardware should be in the middle of the scale; high will push customers away from high prices, low will push customers away too from bad quality. Prices must be fixed nonnegotiable.
- Since the market is highly price sensitive and low prices push away competitors, the company should set low initial price in order to penetrate the market quickly and deeply to win a large market share.

6.6 **IMPROVE WEBSITE ACTIVITY**

- Optimise search engine ranking (SEO) by improve the volume or quality of traffic to a web site and improve website content by including keywords.
- Increase brand and market awareness.

6.7 **IMPROVE CUSTOMER EXPERIENCE**

- Set up an Online E-commerce Store with easy-to-use tools for give customer’s confidence to buy.
- Provide rich information about product, such as specifications, availability, cost, image of product.
- To feel that customer personal information is secure
- Enter modern means to increase customer engagement.
- Embrace Social Media through Facebook and Twitter [20].

6.8 **PROMOTION**

- Advertising: Advertising online by other links involve Xpert’s identity with the new logo and its new services and distribute billboards along the highway leading to company location.
- Brochures: first page will include the business profile, followed up with the mission statement. Also photos should be effective not necessary from the IT domain; for example, a new born product might be holding a background of a new born baby.
- Article: an interview can be set with a journalist discussing the unique management Xpert has reached.
- Yellow Pages: the company can add its name thru the yellow pages that are distributed for free and that are already online. It can be listed under the consultancy.
- A demo CD of company software could be put thru most read economic magazines.
- Online: Xpert website must be enhanced with all professional features and graphics. Again, with its profile, future plans and all its services with the new offers of its hardware outlet.
- Launch the software demo thru the net under the basis of filling an application concerning its work nature and its position. Then we can follow up by sending an email to see his opinion towards Xpert and the software.
- Free training: a user friendly detailed manual that will guide the user towards all locations.
- Sales strategy & infrastructure: The Company should have sales representatives in and out. They should be trained to communicate with existing and potential customers. History study of each customer can be effective. Then, you know how to address him, where is he flexible, know his environments to know his needs[21].
7 Critical Discussion

From the environmental analysis which carried out on Xpert company; we discovered the following:

- Xpert’s customers are not loyal due to dissatisfaction and the high prices-tools: ERP, CRM, Customer trend, eprocurement.
- After sales service is most important to Xpert’s clients-tools: E-service.
- Distant and limited number of suppliers is a weakness. - Tools: e-procurement, value network, EDI, e-service.
- Threat of many competitors with low prices due to different market brands-tools: e-commerce, e-procurement
- Lack of supervision and training-tools: organisation trends, EDI.
- Opportunities for streamlined supply chain management system, IT management organisation hierarchy-tools: eprocurement, enterprise technology, e-service, organisation trend.
- Integrated branding program and technological differentiation are some of our strengths. Tools: ecommerce, e-service.

The tools described above will effectively, efficiently and innovatively solve all these problems and more. This justifies the proposal made in section one after value analysis and is that is feasible to carry out for Xpert organisation.

8 Conclusion

Xpert company offers IT consultancy and solutions to customers. The highly competitive industry has been used by the company requires new strategic directions and decisions to gain competitive advantages. This case study enlightens us about Xpert’s services in market. After conducting an in depth analysis of Xpert’s company through using SWOT, Porter 5 forces and PEST analysis, several limitations which have been identified giving rise to a need for improvement with the potential opportunities envisaged. Therefore in order to implement the pitch, robust systems like enterprise resource planning (ERP), electronic data interchange (EDI), value networks and e-commerce tools were used to improve the shopping, payment, security and information management and flow.

This analysis was necessary to put a new strategic plan to enhance management and services of the company to raise brand awareness in the market and to give it a good value. This has been achieved by implementing E-Trading/commerce System, streamlined supply chain management system, low prices and technological differentiation, and supervision and training which help to keep the internet communication between Xpert major clients and the company. As well as to give Xpert a new identity in the market, focusing on its unique management hierarchy, including our new services alongside to the old. This business strategy with the lowest risk and most feasible proposal in terms of innovation, efficiency, effectiveness, and long term value and profit. These changes would have a lot of impact on the organisation, the process and the people. With good management, the objective can be attained to give Xpert an international presence which is much desired in the competitive market.
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