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Introduction

E-Commerce has made a huge impact in society today, where retailers are now increasingly adopting a multi-channel approach to reach their customers. Rayport and Jaworski defined E-Commerce as;

> *"...technology-mediated exchanges between parties (individuals, organisations, or both) as well as the electronically based intra – or inter-organisational activities that facilitate such exchanges."*
>
> [J. Rayport 2001]

On the whole, E-Commerce refers to transactions involved with selling products to an organisations' customers – electronically. i.e) via the web.

Throughout this report – I will be looking and evaluating Woolworths official Web site. This is available on www.woolworths.co.uk .
Woolworths have engaged in E-Commerce since 1996 and have found it to be extremely successful and a great marketing tool.

There are many benefits which e-commerce organisations can take advantage of. I have outlined these below:
- New sales channels to customers in all parts of the globe.
- Provide detailed product information, technical support.
- Open all day and everyday.
- Facilitate fast and flexible responses to market opportunities.

Customers can now make more informed decisions because of the rich product information available. The Web site can automatically tell customers whether particular items are in stock – reducing costs.

Impact of E-Commerce

A key impact e-commerce for Woolworths has been on customer service through the development of their web site. Where e-commerce:
- Enables a wider product range to be offered than can be held in-store.
- Enables online ordering, payment and tracking.
- Improving service provisions - leading to better stock management.
- Provide customers with rich information about products.
- Opportunities for Woolworths to widen their customer base

Although there are many advantages of engaging in e-commerce, there are also some key barriers to overcome. I have highlighted these below:
- The need to 'touch and feel' the products before purchase.
- No personal contact
- Expense of getting popular servers, etc.
- Must advertise site – to let customers know about it.
- Buyers must pay for shipping and wait for delivery.
- Cannot easily return item or get support.

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Objectives of the Web Site

There are certain elements required to perform online e-commerce and Woolworths are mainly seeking to:
- Promote their Web site presence
- Have an online catalogue or store
- Have the capability to receive payments
- Be able to deliver the products
- Create brand awareness
- Find new customers
- Supply better services to existing customers
- Accessible – *(Please refer to Appendix A – to see the different channels Woolworths provide for customers.)*

I have realised that Web site promotion is very important. Woolworths need to advertise and promote their business, so that customers will either come to their store or view their site.

I consider Woolworths to have a clean, professional looking Web site.
I have developed a criterion below – which customers may use to decide whether Woolworths Web site is a good one.

Text	Big enough to read – but not too big
Hierarchy on information	Perfectly clear
Navigation buttons	- Easy to understand & use - Provide user with clues to what page they are currently on
Use of Colours	- Co-ordinate well - Colour blindness - friendly
Links	Are underlined, so link is instantly clear to the customer
Load up of pages	Download pages quickly
Size of Page	Home page should fit into 640 x 460 pixel space
Graphics	Good use of graphics and animation
Web Pages	Pages should be constant – repetitive elements that carry through out the pages.

Fig 1 – Features of a good Web site

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I will now list the features of a bad Web site;

Background	Lack of contrast in colour, distracting – making text hard to read
Text	Too small to read
Links	- which distract users – and leads them to remote pages - dead links - orphan pages
Graphics	- large files – which take extensive time too load - meaningless or useless graphics
Page size	Having to scroll side-ways
Navigation	Unclear

Figure 2 – Features of a bad Web site

Usability

I think the most important fact that e-commerce companies have to remember – is that a Web site is a self service product – meaning that there is no customer service representative to help guide the user through the site. If Web designers learn this, then they can take into account the ease-of-use and the importance of functionality. There are many sites such as www.aol.com/shopping and www.macys.com which don't even acknowledge these issues – despite the vital strategic importance of user experience to the success of a Web site.

> "*The simple matter of understanding what people want and need has been a low priority for most of the history of the Web.*"
>
> [J.GARRETT 2003]

This is really important because established companies compete to set up Web sites – where they are determined not to fall behind. Simply, leaving the ease-of-use factor and whether the site actually worked for users became an afterthought. Competitors began to emphasise features, adding more content and functionality to their sites to gain market share – however they soon found out that having more features is only a temporary source of competitive advantage. Because with the added complexity, sites became increasingly hard to use – hence 'no returning customers'.

Woolworths have recognised that providing a quality user experience is an essential and sustainable advantage. Garrett highlights that it is user experience that:
- Forms an impression of the company's offerings
- Differentiates the company from its competitors
- Determines whether customers will come back

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Woolworths main goal of their site is to; present and communicate to customers the offerings of the company as effectively as possible.

To determine returning customers Garrett believes;
> *"For users who do come, you must set out to provide th em with an experience that is coherent, intuitive an*d maybe even pleasurable."*
>
> [Garrett 2003]

Woolworths Web Design

Woolworths Web site has been up and running since 1996. Below I have tested and critically evaluated Woolworths Web pages:

Structure	Clearly set out
Images	Many graphics on home page
Logo	Presented on the top-left hand corner of every page
Fonts	Some big fonts – in order to grab customers attention
Good use of Adjectives	Such as; 'unbelievable' – to persuade customers to click on link
Sub-headings	Divided products into categories, eg) home, entertainment
Constant	Pages have same type of layout
Shopping Basket	Each page contains one
Colour Scheme	Red, Yellow & Purple – good use of colour – contrast well
Ease of use	Products are easy to find & easily placed in basket
Navigation	Very clear and easy to use

Figure 3 – Evaluation of Woolworths Web Site

Disadvantages of the Web site;
- Site is a little cramped – everything is cluttered together
- Font is generally quite small – customers may find it difficult to read
- No flashing images, no animation – however this maybe a good feature.
- Lack of interaction

Woolworths most important asset is there server. The Home page loads up in 0.74 seconds – this keeps customers on their site.
Overall, I think their site is informative, useful and pleasing to the eye. Where purchasing of goods is ordered and obtained easily.
Each photo includes the price and also links to additional information. By providing extremely valuable and rich information – customers gain a detailed specification of products. The information not only helps the customer, but also achieves the company's objective of showing potential customers how products work for them.

Security Policy

Woolworths have their own secure software that encrypts all personal information and prevents it from being accessed by any third party. Woolworths security policy is clearly stated on their front page – encouraging customers to register, as they are a reliable company.

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Reach & Richness

Richness means the quality of the information – from the customers' perspective.
Whereas Reach – means the number of people who participate in the sharing of that
information.
Evans & Wurster believe that;

> *"It has been impossible to share simultaneously as much richness
> and reach as one would like."*

[Evans & Wurster 1999]

I disagree with this statement, as I consider Woolworths Web site to have 'high
Richness and high Reach'. (*Please refer to Appendix B – for diagram of Richness &
Reach*).
From the diagram I can see that Woolworths site is high in richness – as the products
in which they sell include a detailed specification, and the reach of customers is high
as they advertise to a wide range of the market. Although Woolworths only deliver
products to addresses within the UK – they have begun to extend their market reach
by implementing an in-store ordering system – this links in very well with
e-commerce because customers who don't have access to the Internet are not singled
out. If customers don't find a product they are looking for in-store – then they can
order it online, in-store.
For my research I interviewed Sue Stewardson – Manager of Woolworths Newark, to
find out more about in-store ordering and online shopping. *(Please refer to Appendix
C – for the detailed interview).*

Customers

Target Market

> *"The target market is a defined segment of the market that is the
> strategic focus of a business or a marketing plan. Normally the
> members of this segment possess common characteristics and a
> relative high propensity to purchase a particular product or
> service."*

[www.mplans.com 2005]

The above definition of target market implies that the customer of this segment
represents the greatest potential for sales volume and frequency.
Woolworths Web site focuses on the home, family and entertainment. However their
main priority and target market is emphasised more for young mothers – with
children under the age of 12.
Woolworths online store is well known for;

> *"providing excellent services and quality products at affordable
> prices."*

[www.woolworths.co.uk]

When I looked closer I found Woolworths to comprise this notion of 'value-for-money' on an extended range of products for their customers and found a strong commitment on making shopping fun – but affordable too.
Woolworths also target active customers who are too busy to go shopping – so shop online as it is more convenient.

Designers of the Web Site

Woolworths Web designer is a company called 'Fredhopper'.

> *"Fredhopper Access Server uniquely follows people's logic to help users easily and intuitively find what they're looking for."*
>
> [www.active-marketer.com 2005]

Fredhoppers' main criterion is to make it easier for the users – to find product information. As a result, sites become easier to navigate, easier to update and maintain. This leads to better usability and increases both user satisfaction and usage. The system responds to user requests with the commercial needs of Woolworths in mind – making Woolworths Web site measurably more effective.

> *"Fredhoppers combination of superior ease of finding and more effective merchandising has proven to double usability and triple sales.".*
>
> [www.fredhopper.com 2004]

Suppliers

Suppliers of Woolworths are extending and expanding markets reach and realise maximum business potential by having suppliers' products advertised on the site. This enables them to take advantage of differentiating their products from competitors.
Woolworths have many different suppliers, for example; toys manufacturers like: Chad Valley, Fisher Price, Leap Frog etc, would want Woolworths to display there products in the best possible way and to be successful – as this will also increase their sales and market share.

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Examining Effective E-commerce – Literature

To examine effective e-commerce – I need to look at a wide range of literature, to help me identify the most appropriate criteria for a good Web site.

Navarro and Khan highlighted the importance of;

> *"Organising graphics and text to deliver message in a logical and understandable manner."*
> [A.Navarro & T.Khan 1996]

Effective visual presentation plays a big part in attracting customers to the site.
They also mentioned;
- Creating Balance
- Producing a focal point
- And offering valuable content

Are also important qualities to have for a Web site to be effective.

> *"The most important thing that any Web site can do is offer valuable content."*
> [A.Navarro & T.Khan 1996]

It is often said of the Web that "Content is King" – as it is mainly content that ensures returning customers. Woolworths site contains Rich content and it is this that drives customers back to their site.

Rockwell believes that a sites information must have the following characteristics;
- Relevance – from the users perspective
- Timeliness
- Frequent updates
- Accessibility – take advantage of search engines to improve user access.

Woolworths considers all the points from above – so, according to Rockwell Woolworths site is very effective.

Chaffey mentioned;

> *"Since e-commerce systems are often customer or employee-facing systems, the importance of human computer interaction is high in the design of the Web applications."*
> [D.Chaffey 2002]

Chaffey considers the user design interface as an important quality to look for in order for a Web site to be effective.

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Rockwell is overwhelmed by the rapid growth and evolvement of e-commerce.

> *"E-commerce shortens the buying cycle with commonly available*
> *Internet access, customers can quickly access the online product*
> *database, free of charge."*
>
> [Rockwell 1998]

> *"E-commerce reduces the cost of sales, by making information*
> *directly available to customer sales and marketing costs connected*
> *to low-volume buyers can be dramatically reduced."*
>
> [Rockwell 1998]

For Woolworths online publishing reduces the need to maintain product information in a variety of media. So, printing shipping and distribution costs can be greatly reduced.

Referring to the Web site design, Bevan says;

> *"Unless a Web site meets the needs of the intended users it will not*
> *meet the needs of the organisation providing the Web sit e."*
>
> [N.Bevan 1999]

I think Woolworths Web site development is user-centred, where they evaluate the design against user requirements.

Douglas *et al*, believed that – in order to have an effective e-commerce site, you need to;

> *"Organise your content in several ways – in categories that make*
> *sense to your customers and in the intuitive ways they think about*
> *doing the tasks. Build navigation tools a nd cues that let customers*
> *know where they are, where they are going, and how to get back."*
>
> [K.Douglas 2003]

I strongly agree with Douglas statement above, because he mentioned all the characteristics a site should have – however, these aspects are more specifically related to customers.

Rayport & Jaworski described the seven design choices that form the basis for an effective e-commerce Web site. (*Please refer to Appendix D for The 7C's of an Effective Site).*

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Lowery highlighted the following formula as a criterion to form a successful site;

- A – Attention - Use a powerful headline that demands attention
- I – Interest - Intrigue interest and create curiosity
- D – Detail - Provide details about their products
- A – Action - Call for action

She believes that;

> *"Your words are the entire foundation of your business and your*
> *words play a major role in determining your success."*
>
> [Lowery - www.active-marketer.com 2005]

I strongly agree with this statement, because it's the words you use – which persuades customers to purchase their products.

Common Aspects within E-commerce Sites

There are many common aspects in which companies involved in e-commerce are interested in. However, their ultimate goal is to comprise a successful Web site. The table below considers points, in order to ensure e-commerce Web sites are successful.

A Vision	Have a clear idea of what they want their Web site to achieve.
Clear Target Market	So, they project the correct image for their market.
Good Structure	Customers need to find what they're looking for
Good Content	Needs to be carefully targeted and continuously updated.
Usability	Ease-of-use & functionality are vital aspects

Figure 4 – Common aspects in E-commerce sites.

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Conclusion

To conclude I have found out that all e-commerce sites have their own unique set of problems to solve and issues to address, however – from the literature I gathered that they all share the following common determinants of success:

- Specific goals
- Clean and Clear structure
- Good, rich content
- Vision
- A disciplined approach
- User involvement

I think effective communication is a key factor in the success of an e-commerce site. Features and functions always matter, but user experience has a far greater effect on customer loyalty. I would say good user experiences will most definitely return customers to their site.

Woolworths unique shopping experience is popular and successful because it is focused around meeting customer needs. Woolworths has gained competitive advantage over rivals by differentiating itself on the basis of providing the best value for money for customers through the most convenient shopping experience. By embracing new technologies, Woolworths continues to provide the channels that are most appropriate to the modern retailing experience.

One of the best advantages I would say about e-commerce sites is that they are open all day, everyday and can be accessed from an Internet connection anywhere in the world.

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Appendices

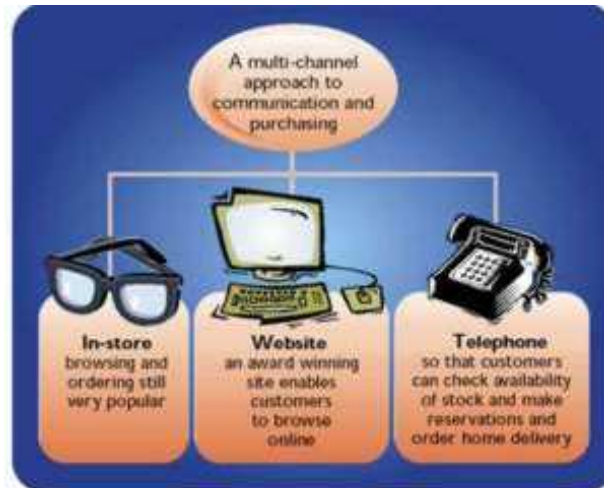## **Appendix A**

Different channels Woolworths provide for customers

Figure 1 – Different Approaches for Customers

Appendix B

	Low Richness	High Richness
High Reach		**Woolworths** Ebay Tesco
Low Reach	Personal Web Site	Dixons Currys

Figure 2 – diagram of Reach & Richness

Appendix C

In-store ordering and online shopping

Interview with Sue Stewardson – Manager of Woolworths Newark

1) **How do you advertise in-store ordering and online shopping?**

   - *Adverts on T.V*
   - *Web Site*
   - *Banners*
   - *Posters – in-store*
   - *Colleagues*

2) **How long have been undertaking online sho pping and in-store ordering?**

   - *Website has been up and running since 1996*
   - *In-store Ordering is very recent, about six months now.*

3) **How popular is in-store ordering?**

   - *We get about 25 orders in-store a week – but its getting more popular now.*

4) **Do you have online promotions? How popular are they?**

   - *We have 3 for 2 offers,*
   - *£5 gift vouchers if they spend over £50*
   - *25% discount on some products*
   - *Sales increase when we offer promotions*

5) **What are your main objectives or outcomes of in-store ordering or online shopping?**

   - *Give customers a variety, more options to choose how to pay*
   - *Supply a new route to the market*
   - *Increase market share*
   - *Increase sales*

In-store ordering counts for 2% of our sales