E commerce assignment.

In this assignment I am going to look at how introducing internet usage to a small organisation would benefit the company and whether or not the initial set up costs would benefit the company financially in the long run.

Having selected a business through using a simple e-commerce viability test (please see bibliography) I have conducted further investigation into the amount of computer access they have and estimated the amount of investment required.

Initial investigation
NG motorsport is a newly founded company with one employee (the owner). The company specialises in after market motorsport tuning accessories. Offers a car sales package where they sell a car on behalf of a customer and also a small bodyshop. NG motorsport has a home pc with internet access and a laptop but these are used mainly for accounting and general admin (not as a marketing tool) and the companies client base is fairly small (local area).
The companies main objectives are as follows.

- ✓ To be profitable
- ✓ To provide unrivalled value for money and customer care
- ✓ To be successful and competitive
- ✓ To have a larger market share in the North Cornwall area.

The owner is looking to introduce e-operations as his main marketing tool in order to cut overheads by having an "electronic showroom" and increase his client base.
Benefits of using E-commerce the benefits of using e-commerce are endless by launching a web page a business can get a stake in the global market as web pages are available 24-7 by most house holds and businesses in the world. By using e-commerce a company can grow quicker than usual by allowing for the economies of scale theory and therefore being more successful than a company with little or no e-activity.
 His main e-objective is to set up a webpage where customers can purchase goods and services from him through a secure payment method in order to speed up transactions and provide them with peace of mind as the main ways of paying at the moment are Cash, Cheques and postal orders which all take time and are inefficient.
By introducing a web page I believe that this company can expand by around 50% over the next 12 months as this would increase the client base from locally to globally.

The main worry that the owner has is the initial set up costs of the web page and how to comply with the relevant data protection act.

After reading the small business guide I have found the following information to back up my theory that using computers can reduce overheads and increase efficiency.

Used properly computers can enhance the operation of a business and despite what you read can significantly reduce the workload and cost also contrary to popular

belief you don't need the latest machine as more humble equipment would suffice perfectly and cost a lot less.

With NG motorsport looking to introduce e-operations as their main marketing tool I did some research on other businesses which were in the same position. To do this I looked at a small confectionary company called sticky toffee pudding. This company was a very small family owned business with a very small turnover. After introducing a web page the companies profits soared 3 fold and the company is now a very successful company distributing its product globally.

Company employees can look at the internet sites of customers and potential customers to find information on the products they sell and may require this could help form a relationship with other companies by analysing the needs and wants of future customers.

After seeing how successful and cost effective the introduction of a simple web page is I have decided to recommend introducing a web page which will enable potential customers to view the cars which are currently for sale as this will significantly cut advertising costs for vehicles which he is selling. The owner currently advertises vehicles which he is selling in the major magazines such as exchange and mart and autotrader costing up to £50 for 2 weeks advertising.

The web page which I am looking to introduce will incorporate a booking in form where customers can book their cars in to have work done this will save on the customers time and also allow the owner to regulate his work flow by knowing exactly what jobs have got to be done and whos booked in at any given time.
The web page will also incorporate an online shopping service with a secure payment service to provide potential customers with peace of mind while shopping online.

Potential risks and disadvantages of having a web page

The first and most obvious drawback of setting up an e-operation is the initial start up cost with having to buy lots of hardware and expensive software such as Microsoft FrontPage as ng motorsport is only a small company it may want to consider buying web space of a larger company in order to save on server costs. Also the company would have to rent a web address and these can be fairly costly. Training within the organisation wouldn't pose much of a problem as the owner is already computer literate but as he is looking to expand he would have to train new personnel to use the system and training courses can be costly.

Internet security
Having done a survey

Laws and legislation relating to e-activity

Trade descriptions act 1974 this prohibits companies from publishing false or misleading information about good or services which they are selling. This may pose a problem if we describe products which we are selling soley online without the

customer being able to see or feel if we provide them with inaccurate information about a particular product.

The trades description act states
You are not able to
- ✓ Apply a false description to any good or service which you are selling
- ✓ To give a false indication to price
- ✓ To make a false statement knowingly as to the provision of the service
- ✓ To state that the goods have been sold in another place for a much higher price without sufficient evidence to back up that statement.

How I propose to introduce e-activity to the company.

Within the first 12 months I hope to set up a high quality IT infra structure within the company which will consist of 2 computers both with a (LAN) in order to speed up communication within the company. I also wish to computerise all accounting, an inventory and set up a web page as a main marketing tool. I will use online polling systems to see what potential customers think of the site in order to continuously improve the service. I will also use customer case studies on the site in order to gain the trust and confidence of the potential customers into buying products online.

The web site I will introduce will be mainly informative but as the company owner gets more it literate I wish to introduce an online purchasing system which people can pay by card for products over the internet. I hope this will attract a wider cliental and therefore boost sales nationwide or even globally.

To start with I will introduce a basic online catalogue with pictures of the stock and vehicles for sale with an e-mail address and a contact us section.
Once the web site is set up I will subscribe to a search engine such as google and market my website on the companies vehicles. The domain name I am wanting to get is www.ngmotorsportuk.co.uk I feel that this is an easy to remember address.

I am going to monitor the performance of the website by using a counter which counts how many hits the site gets from day to day.

Over a 36month period I wish to go into more depth and introduce an intranet system throughout the company which I feel will be beneficial and also an electronic newsletter which will be circulated weekly informing staff of any changes taking place and a review on how the business is doing. I also wish to introduce an online booking service where customers can book in their cars for fitting or any other work doing and a part finder service so that customers can get those difficult to get parts from this company. I believe that by doing so this will give the company a competitive advantage with customer service as one of its core principles.

The future I believe that with the introduction of e-activity int this company it will continue to play a significant part in the marketing of products and services and maybe in the future ngmotorsport may become a totally internet based company

operating entirely online with very little overheads I believe that by doing so the company could prove to be very successful with a good market share.