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Development of an Ecommerce Strategy

BAU INTERNATIONAL UNIVERSITY OF APPLIED SCIENCES
BACHELOR THESIS / SUPERVISOR: PROF. DR. MANFRED LIEB

AUTHOR: DOGA BÜYÜKÜNAL

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Literature Review

The importance of e-commerce is rapidly increasing in today's especially technologically constant growing world. And since I have done and nearly completed my major in digital marketing, it seemed like the best option to focus on explaining ecommerce and providing some example from a live ecommerce startup called Technic24. It is the company that I had been linked with by my managers during my internship in Marketing&Design department of the international battery company called Camelion Batterien GmbH. After completing my internship at Camelion Batterien GmbH, I have received a student job offer from Camelion's ecommerce startup, Technic24, as their web designer and digital marketer. And since I became an employee of the company, I also have a reach to some insights. And I will focus on some strategies that we have followed in order to expand the business and reach to more people. I will evaluate those strategies and classify them as success or fail. So it will combine the theoretical part with the practical part of ecommerce by providing some live examples in order to create a better understanding.

Firstly, the paper will start with explaining what commerce actually is. Because we have all heard some things about commerce but actually, it is something a lot more general than we imagine. That's why it is important to provide the clear explanation of commerce in order to create some links with ecommerce. Because since nearly everything is happening in a virtual world, ecommerce can get a little tricky to understand. The commerce explanation will go on with taking a detailed look into the main branches of commerce.

After explaining what commerce is clearly, the paper will continue by focusing on ecommerce, and first on its history. When the milestones of ecommerce are shortly discussed according to some articles, researches and blogs which are written in digital platforms such as websites' of official ecommerce platforms, blogs of professional web consultants and designers, digital marketing experts, etc. , the paper will continue with discussing why companies have to digitise themselves and start operating in digital platforms by explaining the advantages of ecommerce in details.

When the reader has enough information about commerce, ecommerce and the benefits of ecommerce, the paper will take its first research question into its focus which is the main differences of ecommerce and traditional commerce. The main purpose of explaining the differences is to make the reader more aware of ecommerce by comparing it something more physical and understandable.

After the reader has a detailed understanding of ecommerce, its advantages and differences from commerce, the paper will focus on its second research question which is the differences in the ways of communication of commerce and ecommerce.

And when there is enough information given about commerce, ecommerce and my 2 research questions for my thesis, the paper will start with its second part which is the evaluation of the strategies of Technic24 in order to grow in the market and increase its sales. Some official informations from the company will be given such as the amount of sales before starting to sell a brand and after selling that brand. And also there will be some information about seasonal strategies given.

After the paper provides enough evaluation about the strategies that Technic24 follows, the paper will focus on the strengths and the weaknesses of Technic24. And lastly it will conclude by giving some future recommendations of growth for the company depending on the comparison between the strengths and the weaknesses of Technic24.

What is commerce?

According to Merriam-Webster dictionary, commerce is the exchange or buying and selling of commodities on a large scale involving transportation from place to place. So simply, commerce is the activity of buying and selling, especially on a large scale. And it is also recognized as a branch of business which is concerned with the exchange of goods and services. It includes all of the activities that is directly or indirectly related with an exchange.

As a more improved definition, according to James Stephenson, commerce is the sum total of those processes, which are engaged in the removal of hindrance of persons(trade), place(transport and insurance) and time(warehousing) in the exchange(banking) of commodities.

Since the early beginnings of the human history, every human being had and have been engaged in several kind of transactions and activities. Since it comes from the early ages of the human history, it started to be a branch of economic sciences and since then it is recognized in 2 main categories. First of them is, when the actual main goal is creating or increasing wealth especially for satisfying human needs and pleasure, it is recognized as economic activities. And if the main goal is something else than increasing or creating wealth, like

satisfying religious, sentimental, cultural or social needs, they are recognized as non-economic activities.

Branches of Commerce

If we dig the definition of commerce from James Stephenson, commerce has some different branches. It simply tells that, trade includes any type of activities during the process of an especially economical exchange. So it has 8 main branches. Those 8 branches are trade, transport, distribution, banking, warehousing, advertisement and salesmanship, insurance and communication.

So if we take a more detailed look at the branches of trade for having a better understanding of e-commerce and this paper:

1. Trade

For users to reach to the products they desire to own or they need, there is a need for an agent or a channel to link the products or services with the consumers. And this is only possible with trade. So simply, trade can be defined as the process of purchasing or procuring of goods and services and selling them to those who need them.

2. Transport

Not every company can afford buying some production facilities at some central locations. And actually, since the rent is always a lot lower than the central locations, companies are always choosing some locations which are far from city centers and some richer companies are even making their entire productions overseas at some cheaper countries which is being extremely efficient and effective as a strategy. So more simply and clearly, in terms of location, companies are producing their products at some places where people are in less demand than the people have in central places since they generally tend to have more money so spend on their personal needs. And the goods that the companies are producing at some locations which are far from the main customer group, those goods need to be taken to the places which they will be preferred to be produced. The transportation of the goods from the places which tend to have less interest in the products to the places which would tend to have more interest is vital for nearly every type of business. Because businesses are becoming able to create their 'place utilities' in their goods which literally gives a helping hand to the producer for

becoming able to increase the productivity and save increasing amount of money because of reducing expenses that are led by lean production.

3. Distribution

The producers are generally not able to come into direct face-to-face contact with all of their customers. In today's constantly growing world, especially successful companies(in terms of marketing, sales and management) have millions or at least hundreds of thousands of customers. So, generally, the middle agents called distributors are coming into play at this step of a commerce. The distributors purchase the goods from the producers and make them meet with the consumers by making some profit from this. So both sides – the producer and the distributor – are satisfied with their needs since they are both earning money from this. So the chains of distributors like retailers, wholesalers, etc. work between the consumers and the producers.

4. Banking

There is generally some time between most of the good's productions and their sales. It sometimes takes some time for the distributors to complete their payments to the producers in return for the goods they have, that's why it is understood by managers and economists that there is a need for some finance activities. In this kind of cases commercial banks can provide more trust for both of the sides especially when the sides are making business for the first time. And banks also take a really vital part in international trade for easing the transactions between sides. So it can be clearly told that banks are really important for businesses to deal with their financial problems.

5. Warehousing

We can clearly tell that the production is mostly made according to the amount of demand. But there are a lot of times that the producers are producing more than the actual demand in order to benefit the advantages of lean production for the future demands. And in this kind of situations, the extra produced good have to be well-stored until they will be sold as well. Especially in international businesses which are making foreign trade, since the time between the production and consumption is longer, the role of warehousing is more vital.

6. Advertisement and Sales

This is one of the most vital steps of a commerce where marketing and sales come into play. Because it is the step that the sellers are turning their goods or services into money. Sometimes, at some locations, the people can have a lack of information of your products and they might not even have any ideas or hearing about your products. So this lack in being known by people that are surrounding a business' environment is solved by advertisement and marketing. It means world to businesses. Because they will be able to reach more customers by making them aware of their service or goods so they will be able to sell and earn more.

7. Insurance

And since the transportation is always being risky for the businesses in terms of delivering the goods to the customers smoothly, the insurance companies come into play in order to deal with this step of a commerce. Because they are offering the producers and distributors in case of a loss of goods. That's why, since insurance companies' roles become more important in commerce, it is also recognized as another part of a commerce.

8. Communication

The producers and consumers, especially the ones that are in wholesale level need help in order to deal with their messages. The producers are both receiving new orders and informing their customers about the production of their earlier orders about the duration of production and transportation. That's why both the seller and the buyer will have to use the communication services such as phones, internet, post offices, etc. .

Especially after explaining the actual meaning of commerce and its branches, it can be clearly understood that there is actually a need for commerce from several different perspectives.

First of all, it is making a lot of parties earn money as a result of their contributions to a commerce. It helps the economy to flow and also track that flow. So according to those financial transactions, governments are earning money by taxes and tariffs they imply especially during the import and export of goods.

Secondly, it makes a lot of people able to reach to some global products no matter from where. So since the goods are transportable from a region to

another, producers do not focus on the things that they do not have on their region but they focus on the things that they do good. So the quality of the products increase as well and the consumers will be more satisfied about the products that they paid for.

Furhtermore, since commerce has multiple different branches, there is also a huge need for employees. So it can be clearly said that commerce is generating some new employment opportunities which is a huge advantage for governments. Because it means having a lower unemployment ratio in their countries.

Hence, it helps governments to expand their economies by the increasing amount of international collaborations. The governments come up with the opportunity of appreciating their own currencies by having more foreign currency as some investments in their countries.

And since different regions mean different countries, it is meant that those trades and commerces are happening between different countries. So it can even be one of the reasons of good relations between different countries.

After having this much information about the core of e-commerce which is commerce itself, we can have a better understanding about the importance of e-commerce especially in those days and also the development of an e-commerce company.

What is Ecommerce?

Since we are more familiar with the term 'commerce', now the question marks are more regarding to e-Commerce. So what is ecommerce?

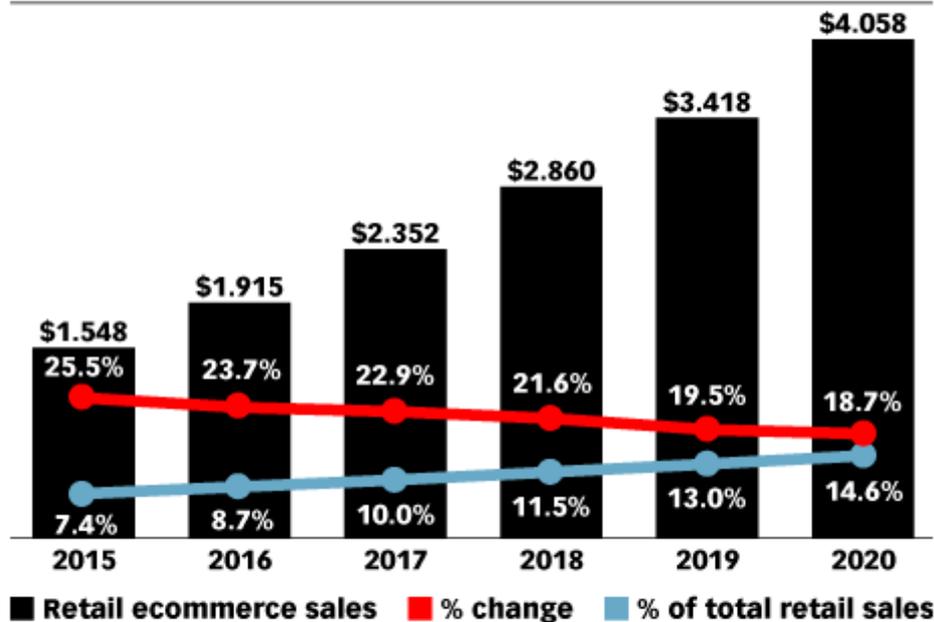
In simple terms, ecommerce means any commercial transactions which are done online. So one can simply tell that, whenever you sell and/or buy anything over internet, you are taking part in ecommerce.

In August, 1994, a guy called Phil Brandenberger turned his computer on and entered his credit card informations to a website in order to buy Sting's ``Ten Summoners` Tales`` for \$12.48.(plus shipping). It was the first `true` ecommerce transaction ever. And since then, ecommerce had experienced a constant growth since it first started to exist in finance history. According to an ecommerce platform called BigCommerce, the ecommerce is growing 23% each year. And according to a research done on August,2016 by a market research company called eMarkerter, the global ecommerce sales are

expected to reach to \$27 trillion by the year 2020, and this statistics were just meaning the retail sector.

Retail Ecommerce Sales Worldwide, 2015-2020

trillions, % change and % of total retail sales



Note: includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets

Source: eMarketer, Aug 2016

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www.eMarketer.com

Since ecommerce has grown this much, it became nearly impossible to even imagine a world without it. Eventhough the first ecommerce transaction happened in 1994, the first time that the core of the idea of ecommerce was thought around early 60s. It was first thought as EDI(Electronic Data Interchange). And since then the idea kept improving and shaped into its today's form. And as mentioned before, it is nearly impossible to think a world without it because an idea which was thought around 57 years ago has improved a lot that it makes nearly every financial transaction a lot easier in people's lives. For example, which would explain a lot, while people were having to leave their houses for sending some money to their family, thanks to the improvements in ecommerce, now they can do it right from their beds before sleeping. That's why people loved it a lot and it even became able to run a business on its own.

If we take a look at some important milestones in ecommerce history, nobody can ignore Amazon. It was first launched as an online bookstore. And the first

shape of Amazon's idea was pretty beneficial for the customers as well. Because even the biggest bookstores were limited to approximately 200,000 titles. But since Amazon was an online store, there were no physical limitations for Amazon. That's why it was able to offer a lot more products than the bookstores. And since then it also kept improving just like ecommerce itself and now Amazon is selling literally everything from DVDs to computer softwares, from household products to food. The unique characteristic of Amazon which is its customer reviews about the products from the customers that have bought the same product from their online shop. And as a matter of fact, according to Amazon's annual report of 2010, Amazon was welcoming around 65 million customers per month just at their United States website, and, made a revenue of \$34.204 billion.

As another example from the most successful ecommerce examples, we can take eBay into our focus which was also popped out on 1995. It reached to success with its online auction site characteristic. It had also grown a lot and now reaching to millions of customers all around the world and linking the sellers with the interested buyers.

As an example from another branch of commerce(since Amazon is more or less the same like making sales, providing transportation, etc.), we can give PayPal. It was founded on 1998 and it had grown so much that it provides its services in 190 different markets. It is an acquired bank that provides the service of being the middle agent between the seller and buyers by having the money from the buyer and sending it to someone else just by a click of effort. It simply allows its customers to make some financial transactions such as sending, receiving or keeping credits in their accounts in 24 different available currencies. According to a research done by another ecommerce platform called Miva, PayPal had reached to 232 million users and approximately 100 million of them were active.

So since there are a lot of this successful examples that are making fortunes and the amount of businesses making money through ecommerce platforms is constantly increasing, it has started to be seen as an opportunity by nearly all of the businesses. Because, as it will be explained in more details in the following parts of the paper, ecommerce brings a lot of advantages and new opportunities with itself since it is the biggest business opportunity especially in these last years.

It also has its disadvantages and issues but since most of the challenges of ecommerce mostly happen while digitizing the business in order to be compatible with the ecommerce platforms, ecommerce is more seen as an opportunity and advantage. Eventhough its a hard process to start generating some profits with ecommerce, everything becomes after adapting your business to digital word. That's why the businesses who were able to deal with the management of digitization successfully can even double their revenues and profits.

Advantages of Ecommerce

It is told that ecommerce will be really beneficial if the change management can be done effectively. Because as we know from the quote 'No pain, no gain', for becoming able to benefit the advantages that ecommerce would provide to a business, that business have to deal with some difficulties and get over the differences between normal commerce and ecommerce. And if that change can be done properly and if the business can be transformed into digital platforms and if a business can start to operate as successful as it operates in their normal store businesses.

According to a professional internet consultant and web designer called Brian Platz, the advantages of doing online business(ecommerce) can be simply listed into 10 matters:

1. A Totally New Economy

As far as we have explained the opportunity of growth with some professional research examples, we already know how fast businesses can grow by using the completely new economy that the online world brings to businesses. Amazon and eBay are already dominating the industry but in order to make money, it is not necessary to be or try to become a giant like them. If you can deal with the change processes properly and adapt your business into online world which means building your online business efficient enough, no matter the size of the business, digital part of the business would be quite profitable. And according to the researches and analysis of Brian Platz, it is predicted that small and mid-size companies will be the main growth force of ecommerce in the coming years.

2. A Perfect Venue For Businesses

In normal store businesses (brick-and-mortar shops), customers are always having to visit shops either in malls or in streets. And as far as we already know, the world is full of lazy people who would love the idea of checking any type of products while they are laying in their bed or sitting on their couch. Because in the online world, the shops are just a click away from customers. People can even do their grocery shoppings without having to leave their bed.

With some effective digital marketing strategies, you can have a lot more buyers than those brick and mortar shops. Because the capacity of online world is unlimited.

3. A Huge Contribution to Businesses` Images

Just for protecting the current image or providing a stronger one, businesses have to exist in the online world. Just imagine running an international business and telling to your customer that you do not have a website of your company. Most probably your customer would take you less seriously. So we can clearly tell that if there is a fit between the products or the good that the company is selling and its webpage`s content, it can improve the image of the brand/business quite lot.

4. Providing a Better Customer Support and Increasing Customer Satisfaction

For a business, customer relations and their satisfaction is the biggest key for a business to keep surviving in the industry and also for increasing the profits. Years ago, just before ecommerce became this useful and popular, the companies were informing their customers about the updates of their products or services via post. That`s why it was taking days and sometimes even weeks. Thanks to the improvements in the online world, right now companies do not have to physically be at the same location for providing the support that the customers need. And as mentioned before, since there is no limit in the online world, your customer support service can deal with more customers and increase the customer satisfaction. And if the customer satisfaction can be increased, it would lead to an increase in profits as well which is the main, core aim of nearly every company and business.

5. Customers Can Reach To The Information About You and Your Products/Services Much More Easily

Before the business world got digitized, as mentioned in the last matter, it was taking days to businesses to provide the necessary informations about their products or services to their customers. But right now the customers are just a click away. All that the businesses have to do is just entering the necessary information to their websites and just click. The entire world can see what the companies want people to see.

6. Brings the Opportunity to Reduce Costs

Ecommerce gives businesses the opportunity of virtualising any branch of commerce which were already explained in the beginning of the paper. Running the processes that belong the different branches of commerce through online management systems gives managers the opportunity of monitoring every detail and the opportunity of reducing costs in every aspect of any business. And again with the words of Brian Platz: ``Companies can reduce more than 5% of their maintenance, repair, and operation costs by adopting e-business solutions. This 5% savings can turn into 50% of a company's net profit.``

7. Providing Your Products and Services To Customers 24/7

Since nobody has to physically be there in order to make the sales, you can run your business during the entire night. Normally businesses have to close their shops generally at 22.00pm. But thanks to ecommerce, businesses never have to close their online shops so they can operate 24/7. And again with the word of Brian Platz: ``Thanks to internet off time, when your shop is generally closed, sales in some cases can be more than your regular business hours!``

8. Not Having To Make Big Investments For Starting Your Online Business Up

As we might already know, building a website does not require any big investments. Since the technology, and especially online technology has improved a lot, there are a lot of new tools which would give a helping hand in order to build a website. And since ecommerce became this popular and beneficial, there are many business portals which would provide you some website templates. And those portals are also providing you the full featured

corporate ecommerce websites for less than \$100 per month. And, for sure, not having to make big investments for your ecommerce start up increases the amount of companies that exist in the market and it also increases the competition within the companies in order to be the chosen one by the customers. So all of the companies are having to improve their quality of products, their services for keeping the customer satisfaction at least on the same level for not losing any of their customers to other competitors in the market.

So both the companies are improving themselves and customer satisfaction is constantly improving. Thanks to ecommerce, there is nearly always a win-win situation.

9. There Is No Need For Physical Presence For Running The Business

Thanks to www(World Wide Web), the workers and the managers dont have to be physically present in their works because everything is already running in a virtual platform. When the managers have the systems set in their laptops, they can deal with everything via their devices. They can complete their tasks and meet with their responsibilities from all around the world. That's why one can tell that this is a reason that increases the employee satisfaction and the situation turns into a win-win-win situation. Because it will be the benefit of everyone that are linked with and ecommerce. When the employee satisfaction is high within a company, the workers can work more efficiently during their work times. When the workers do their tasks more efficiently and effectively, the satisfaction of the customers is really likely to increase. And when the customer satisfaction increases, the business is achieving its main goal which is increasing the sales and the profits.

10. Opportunity of Expanding The Business Global Quite Easily

Since the internet has improved this much, it is quite easy for businesses to operate all around the world as long as they are able to complete the necessary shippings to the required locations. And the best thing about globalization by ecommerce is, people do not have to invest big amounts of money. If you take a detailed look in the internet, you would come up with hundreds of ecommerce platforms and emarketplaces that are easily available. And those so called emarketplaces are the biggest opportunity for the businesses which do not have their audience yet to find their potential customers. Just for some small amount of fees, those marketplaces give the

access to the ecommerce businesses that would need their group of customers from all around the globe. And since B2B ecommerce has also started to gain some importance and to provide a good cashflow for businesses, everybody would want their shares and according to a recent research that is done by AMR Research, there will be more than \$1.3billion of good and services which will be flowing just within the B2B emarketplaces.

And according to the words of the web consultant Brian Platz, so called 'The Web Doctor', 'The right determinant of e-business success is the same like any offline business. You have to have a great idea, you have to have a business plan, there should be a value proposition for prospective clients and you should have belief in it and your ability!'

Digitising businesses became so popular in these days since it is cheaper and lot easier. And these eases are all caused by the development in ecommerce platforms and technologies. But since ecommerce is growing so fast, the marketings fees are constantly increasing. So for the ones who would be able to run their businesses in online platforms, it seems like a big mistake to wait digitising their businesses. Because by each day they wait, the more expensive it will be for them to pay their memberships at dgital marketing platforms because the demand for such kind of a way of marketing is still rapidly increasing.

But on the other hand there are also some differences between commerce and ecommerce which could cause some issues while creating the digital part of a business, simply while digitising the business. And those issues can also be recognized as the disadvantages of ecommerce since they might be likely to cause big troubles within a business. Because even if those issues will not cost the companies a lot, it will be known as another missed opportunity for increasing the sales and becoming more popular, etc. .

Main Differences of Commerce and Ecommerce

If we take a look at the differences between commerce and ecommerce, we would simply come up with 11 main differences. Those differences are the main things to deal with while digitising a business because after adapting a business to those differences, that business could keep operating as it was operating before ecommerce. Those 11 differences are:

1. Exchange

Traditional commerce mainly puts its focus on exchanging the products and the services by some personal interactions and everything is done manually but in ecommerce, those trading transactions are done online through internet and nearly everything is done automatically through the already automated systems.

2. Timing

In those so called brick-and-mortar shops which are the core of traditional commerce, there is always a time limit that the shops can be opened because of the necessity of physical presence. But in ecommerce, the businesses can operate 24/7 without a break. Since everything is done online in that e-world, customers can make their orders any time of a day and the workers will be dealing with everything during their working hours. So it creates a win-win situation both for the businesses and for the customers. Because customers can do everything regarding to their purchase even without leaving their bed, and the businesses do not have to physically be opened. So everything is easier for both of the sides but the outcome is still the same with the traditional commerce.

3. Physical Interactions

In traditional commerce, the customers have the opportunity to see and check the products or the services of the businesses physically before they buy any products or services. But in ecommerce world, customers can inspect the products through their descriptions and the pictures of the website. There is no physical interaction of customers with the goods or the services before they actually buy it. At first it seems like a disadvantage for the customers but whenever there is something that does not satisfy the customer, they can just give you their feedbacks and the reasons and the product is returned completely or changed with something else.

4. Face-to-face Communication

In traditional commerce, the consumer interactions are dealt by face-to-face communications. Because as mentioned before, the customers are doing everything physically. But in ecommerce, things are different such as nearly not having any face-to-face communications. Because the core

of ecommerce is digitising so the communication is done as screen-to-face interactions.

5. Geographical Location

In traditional commerce, there is always a limit of reach of those so called 'brick-and-mortar shops'. Because as mentioned, physical presence is a must in traditional commerce. But ecommerce does not have any limits. Since the businesses can complete the deliveries, ecommerces can operate totally globally just like Amazon and eBay does. And this is one of the main reasons that make ecommerce this much beneficial for the businesses. Because just by digitising their business and keep on doing the same things such as marketing, customer relationships, etc., the businesses are having the opportunity of operating globally and increasing their incomes enormously. The only difference is, the businesses are generally needing new ways of transportation of good or services when they start making ecommerce. But everything else nearly remains the same except using the methods on digital platforms.

6. The Platforms

In the traditional commerce, there is not any platforms existing for companies to exchange informations. There are only some researches done about the markets and about the giant companies and most of the companies are choosing one of those giant companies and trying to take their business model and strategies as a role model for themselves. But in online world of ecommerce, there are many ways of exchanging informations regarding to the unique uniform platform for exchanging information. This opportunities are leading the companies improve themselves by having ideas about the situations without experiencing them in their own business but, for example, reading about some experiences of other ecommerces. And just like many other things, this difference also creates a huge advantage for ecommerce in the way of being chosen instead of commerce especially by customers. Because since the companies are able to have more information about some important situations in ecommerce world even without experiencing them, the companies became able to improve themselves constantly. So the quality of the goods and/or services is increasing constantly and this situation is leading to some huge increases in customer satisfaction. As a result, we

can tell that this is another win-win situation that ecommerce brings to the world of trade and commerce.

7. Corporate Relationships

According to the results of some different researches, it is cited by the experts that the corporate relationships in traditional trade is linear which means there is a direct proportionality. This means that, according to BusinessDictionary, 'Any kind of change in an independent variable will always produce a corresponding change in the dependent variable.'. But in the ecommerce world, this situation is different because there is end to end business relationships occurring which refers to getting rid of as much middle layers and steps as possible. This kind of a relation will drive the company to higher performance and efficiency in any processes of that business. So by increasing the efficiency and performance, the companies can make more money and expand their businesses.

8. Marketing

In the world of traditional commerce, the approach for marketing is one-way marketing approach which simply means the traditional ways and strategies of marketing. The traditional ways of marketing are generally called print marketing except the television and radio advertisement. And print marketing is the type of marketing that refers to advertising in newspapers, magazines, newsletters or any type of public print materials. But in the world of ecommerce, the main ways of marketing are the so called digital marketing strategies. Because since the core of ecommerce is making trade online, they have to reach to the customers who use internet for providing at least one of their needs. It is known that digital marketing generally depends on the database. The companies are able to reach to a specific group of customers by entering the characteristics of their target customers. So in the end, their digital advertisements are reaching only to that specific group of customers so the companies are not wasting even a bit of money while making their marketings. That's why one can tell that in the world of ecommerce, the main way of marketing is one on one marketing strategy.

9. Payments

In traditional commerce, the payment methods include cash, cheques, and also credit cards. But in the world of ecommerce, it is a little different.

Because the payments are done from totally virtual platforms like PayPal for example. And the payment methods which belong to the world of ecommerce are electronic fund transfer, credit card numbers and many more thanks to the system that PayPal brought to the online world.

10. Deliveries

In commerce, the customers are receiving the return of their payments immediately as products or services. But in the virtual platforms of ecommerce, the customers are coming up with the descriptions and the pictures of the products. And after deciding on buying a product from internet, the customers are making the payments and waiting for their deliveries from the producer or the distributors.

11. Establishment of Start-ups

In the world of traditional trade, the procedures of establishing a new business can take long period of time and require some exhausting efforts. Even the necessary paperwork can explain how complicated it can become to establish a commerce company. But, however, in the online world, the companies can be quickly established just by creating a website and notifying the governments about the accounting informations of the sales in order to be taxed properly. And the rest of the actions happen quite easier than they happen in traditional commerce since there is no need for physical presence and transactions which was already mentioned for many times in this paper.

How Different Are The Ways of Communication Of An Ecommerce Than Commerce?

The reason of mentioning the no need for physical presence was actually because of keeping the attention on the main question of this thesis. The main question is regarding to the communication differences between commerce and ecommerce. The reason that makes this question the main question of my paper is, communication is one of the most important things for any kind of commerce and business. Because only by communication businesses can have the feedbacks about their products and their services so they can make the necessary improvements withing their products and services.

And when we focus on the differences of ways of communication, it can be told that the communication in commerce if mainly face-to-face. The customers are

either calling the stores or going to the stores and trying to explaining their problems face-to-face and asking for the renewal of the product or the return of their money. That's why according to the reasons that customers want to give their products back, the companies can understand the main problems with their services or/and products. And when it is compared with the ways of communication of an ecommerce company, it can be said that the ways of traditional commerce's communications are a lot slower than the online world. Because in the online world, customers are able to enter their reviews about a product or a service that belongs to a business in their online pages and on the online platforms like Amazon and eBay. And that kind of feedbacks and reviews provide a good information for the potential buyers while they are deciding on buying a product/service or not. And by paying some more attention to customer relationships, the companies can keep their reviews at high levels even when they are having some defects or etc. more than other companies. Because thanks to after-sales-services, it is still possible to keep the customers satisfied and happy about your brand even when there is a defect. Because if the companies deal with the returning products and the customers who bought those products effectively, like refunding the money they paid quickly and without any cuts or changing the product with a new and non-defected one quickly are keeping the customers satisfied because they know that every company has some possibility of defects as we have also learned during our Quality Management course. So this increase in customer satisfaction leads an increase in the sales and in the amount of repeating customers.

And another difference in communication is the ways of attracting the customers. For example in those brick-and-mortar shops, there are some actual workers who works in the shops during its working times and tries to explain the good parts of the product and try to convince the customers buy the products. But in the online world, the ways of attracting the customers are a little different. Because before the customers buy a product or service, there is no communication with between the business and the customers except the descriptions that the companies have written in order to explain their product and and the detailed photographs that the companies take for visualising the products in the virtual world. That is why since these things are the only ones that the customers can see before they buy a product, how important the description and the products are quite obvious.

Furhtermore, there is another difference that the digital platforms and the ecommerce world bring to the businesses which is communicating with the search engines. And communicating with search engines means improving a websites content and making it more valuable so that the website would be in more fit with the algorithms of search engines so the website's ranking increases so it reaches to more people. This kind of an improvement is only possible with technique called 'SEO(Search Engine Optimization). When the ecommerce companies do their SEOs properly, they are being placed on higher rankings in the search engines such as Google. And just imagine your company appearing first in Google when someone texts household products. The sales would explode...

There are some another ways of reaching to more online customers such as GoogleAds or etc. . But the reason that it is not that beneficial for the companies is companies have to pay some amount of money to the platforms that they want their advertisements in. And since making the SEO of a website is free except the wages of the employee/s who is/are responsible for that task.

As a conclusion, it can be told that, if a company is able to understand and explain itself in the language of the digital world, it is meant that that company has already been successful at the most important step of ecommerce. After being successful in dealing with the changes in communication that the online world brings, which is mainly being familiar with the ecommerce platforms and the language of the search engines, the companies can have extreme returns of their investments(both financial and physical) in some unproportional amounts as it was already mentioned in the general differences of commerce and ecommerce.

Ecommerce Startup: 'Technic24'

As already mentioned in the literature review, after my internship that I had to complete as a part of my studies in Camelion Batterien GmbH, the company's ecommerce startup Technic24 offered me a job as their web designer and digital marketer. When I have finished my internship at Camelion Batterien, I became a member of Technic24 team which was established in May,2016 by the Managing Director of Camelion Batterien GmbH's Berlin Headquarter.

As one of my very early tasks for Technic24, my supervisor asked me to make the translations of the descriptions of products on website. And by doing this, we were aiming to expand our reach to some different countries and increase our

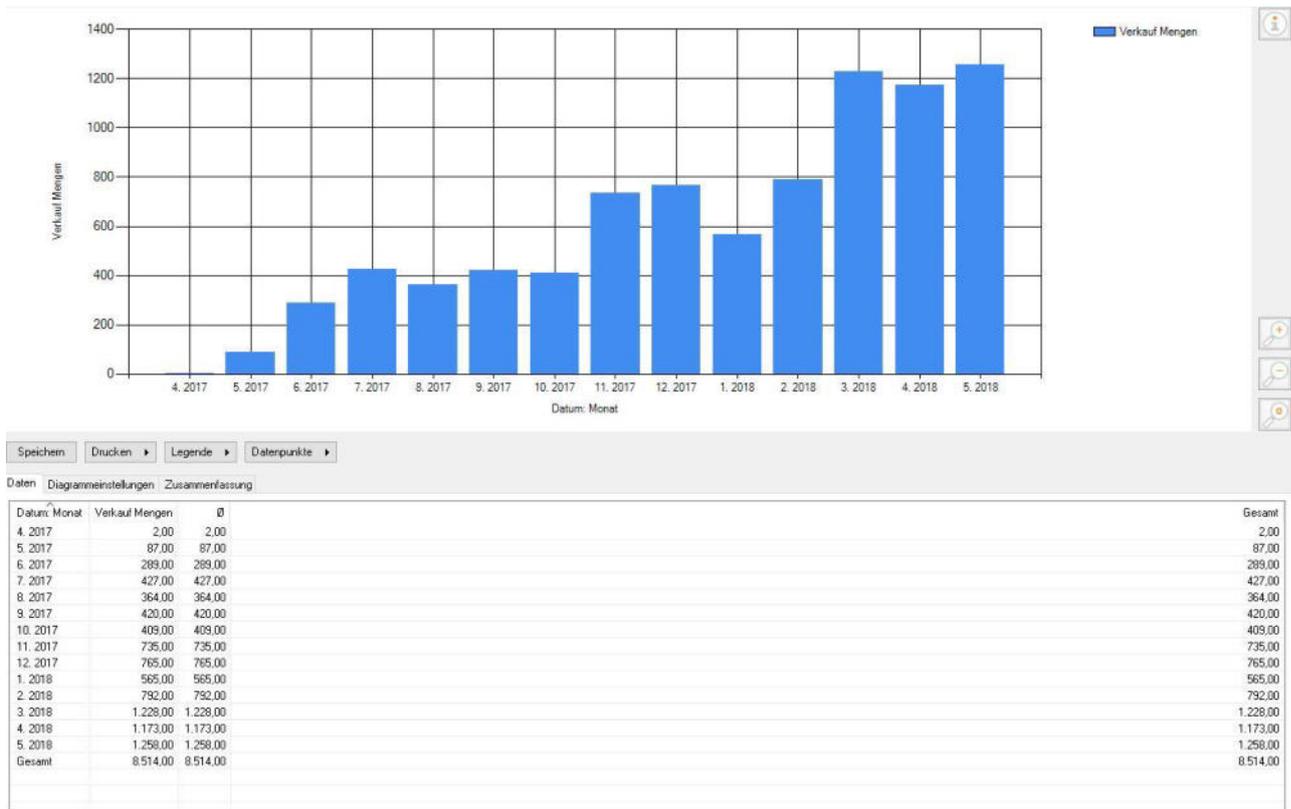
number of customers. And while doing this. I was also taking a detailed look at our products and becoming more familiar with the company. And, seeing all of our products while making their translations helped me to reorganise our website's categories and become more Search Engine friendly.

When I have first started to work in the company, we had some products which were causing us some serious problems. For example, some of the glass and porcelain products were causing us a lot of trouble. There was one porcelain coffee set which was constantly getting broken during its deliveries, no matter how good we were packing it. And since we keep the stats of the products through the software we use, we have just realised that those coffeesets from that brand was making us lose some money instead of earning. That's why after some further dialogues with the brand of the coffesets, we gave up on those products and focused on some other products which were delivered without getting broken.

As another successful strategic decision, we have made a new agreement with the delivery company DHL. And until making that agreement with DHL, we were having a lot of returns from our customers especially because our products were broken. We have changed our way of packaging our glass products, and when it got combined with the good deliveries of DHL, the returns that we are having are either because of a defect that comes from production or because the customers don't like the products after they receiving the products. Of course we are having some returns but it is not comparable with the amount that we were receiving with another delivery company.

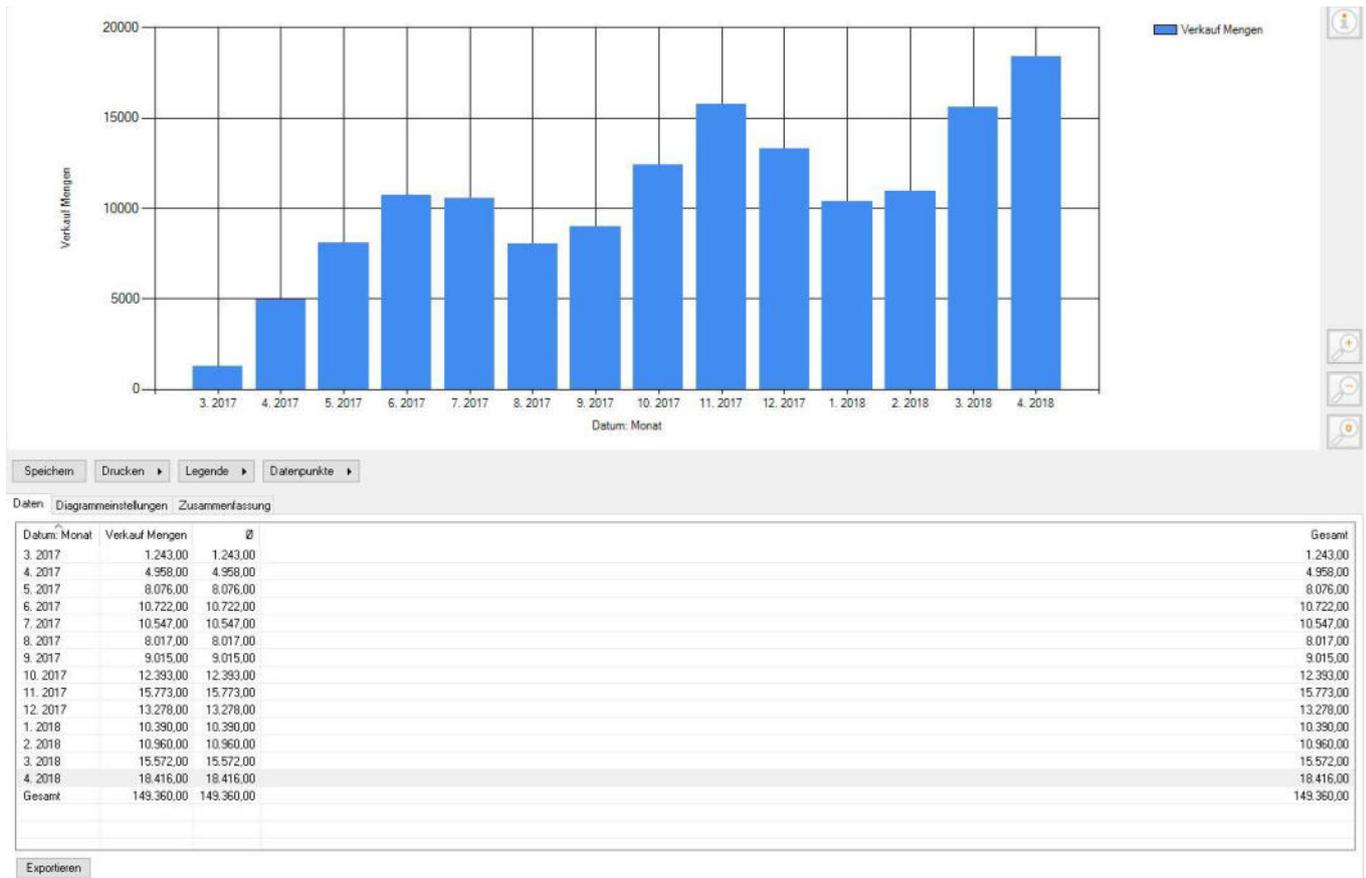
As another strategically successful agreement was with the company called LAV which produces glass products such as glasses, bowls, etc. .

At the chart below, one can find the stats of amount of sales of LAV products since May,2017 which was the time that the agreement with LAV is done and we became their Germany and Europe online distributor.



At the chart, we can see that the amount of LAV products that are sold within the first month of the agreement is only 2 pieces. And the next month, it is 87 pieces and on the 3rd month of the agreement, the sales of LAV products increase to 289 pieces. And it has kept increasing except some months that we were waiting for our new orders so we did not have much products. But especially after ordering some of their new collections, the sales have exceeded 1000 pieces per month. Because since the early days of the agreement with LAV, we were really hopeful about LAV products since we were more familiar with our customer group. Since I work there since November, 2017, I am more familiar with the actions that are done after then. And I can tell that we have focused on LAV products a lot especially regarding to their optimizations on our online shop. We worked on LAVs' pictures and texts a lot and finally we have started to have the returns of those efforts as constantly increasing sales.

And at this next chart below, the readers can see the effect of LAV products sales on our total sales since we have made the agreement.



With the start of LAV, the company has started to pay more attention on the description and the pictures of the products that the customers see on the online sales platforms such as our online shop(website), Amazon, eBay and Rakuten.

And as mentioned before, during my internship which has started in late August, 2017, my first task for Technic24 was the translation of all of the products that exist in eBay. And after those months, as it can be seen in the graph, the companies online sales have also increased. So when good descriptions and pictures, translation of products into English, and the success of LAV products got combined, the amount of sales have jumped to 15,572 pieces from 1,243 pieces in 1 year of time.

But of course there are also some other strategies followed in order to keep the increasing of the sales by my managers. For example the company's approach to the products was differing from season to season. During summer, the company focuses on more outdoor products such as bicycle locks, camping materials, etc.. Maybe the sales are not increasing but at least that strategies were enough for preventing some seasonal losses in the sales.

And if we take a little more detailed look at the company, we would have to analyse its weaknesses and strengths. Because knowing the weaknesses and strengths of a company means becoming more likely to predict its future strategies.

Strengths

As Technic24, currently we are distributing some brands which were not existing in the European online market. LAV is the most successful of all of them but there are also a lot of sales provided by our own brands Camelion, Arcas and ecolle. Because those brands are our brands and they do not cost anything except the production costs of the products. That's why it can be said that owning our own brands is one of our main strengths in the market because those products are more regarding to some more technical fields than daily life such as batteries, powerbanks, bulbs, lights, etc. . That's why by combining our brands with some brands that were not existing in online platforms before us, we are following a successful strategy.

We are also seeking for some new products by making some product researches from time to time. For example from AliBaba, sometimes we are looking for some products with the aspect of European market, and trying to find some really original ones. And if we can find some products that we think would do a good job in European market, we are ordering some of that product for seeing its actual performance in the market. And by trying, we are finding the right products for the European market and bringing them to European market for the first time. That's why it is also providing to the image of the brand. Because our name is becoming more recognizable after the customers match our name with something new and useful in their life.

And having our own warehouse can also be shown as a good strength because having our own warehouse makes us able to order some big amounts so we are benefiting the discounts and cutting some costs. And those costs that we could cut were used for investing in some different products for trying them. So according to this information, one can tell that actually owning our own warehouse gives us the opportunity of trying some new products in European market for free. That's why this could be given as one of the main strengths of the company.

And as another strength, being a startup of a relatively bigger and more international brand also gives you the opportunity of balancing the cash flow.

Especially during the beginning times of Technic24, the necessary capital for the first orders was provided by the sales of Camelion, Arcas and ecolle and the other missing part was provided from the cashflow of Camelion Batterien GmbH. That's why the company had the flexibility for trying and making mistakes and by those mistakes, Technic24 had the opportunity to find the products which would make good money in Europe.

Weaknesses

When it comes to the weaknesses of Technic24, we could give some low quality products as an example. But those products were stopped being sold after a few months of statistics of the product provided. That's why after removing those products from our product portfolio, we had more money to invest in different and new products.

And as the main weakness of the company, depending on eBay and Amazon a lot can be given. Because we are having to arrange our products according to their standards and sometimes especially Amazon can be a little strict. And especially during the times that some of the colleagues are having their holidays, we are generating our revenue through Amazon's Prime service. Not all of the revenue, but some part of it is provided through that service. And that service is totally strict that even if there is one not straight part in the box of the product, Amazon sends it back without a doubt. And those little things are generally happening during the transportation processes of the products either from the producer to our warehouse or from our warehouse to Amazon's warehouses.

For dealing with the problem of depending on eBay and Amazon more than necessary, we have already been working on making the content of our website more valuable for search engines such as Google. We are trying to provide more valuable informations about our products and the fields that our products are being used. And also we have been working on optimizing our website for making it suitable with more payment methods for making things easier for the potential customers.

Future Recommendations

As a member of Technic24 team, our future plans can be considered as my future recommendations to the company since we are all thinking on future strategies together.

First of all, our main goal is making the optimization of our website perfect. And after starting to appear in the first page of Google, we will keep selling our products through Amazon and eBay but at least we will have the opportunity of being more confident when we will have some issues with them. And if we can expand our customer group more by time, Amazon and eBay will also want to sell our products for keeping their customers happy still. So it will turn into a win-win situation between Tehcnic24 and Amazon&eBay.

Furthermore, depending on my experiences as a member of Technic24 team, product research is also a strategy that would lead huge increases in the sales. Because as mentioned before, when you bring some totally new products within a market, those products are having their places in the mind of customers as your products that's why even when some other companies start to sell some likely products, the customers will remember your brand when they see that product. Just like Converse shoes. There are many other brands which are producing some models that are really looking like Converse and people first recognize the brand Converse even when they see a shoe of a different brand. That's why in my opinion, if we can keep doing the product researchs properly and expand our product portfolio accurately, I believe it will be quite easier to expand our customer group and make some peaks in our sales. And those targeted peaks in our sales will lead with an increase in market shares of the company.

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By

Büyükcinal, Doga

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