

Chapter I: Introduction

1.1 INTRODUCTION

Nowadays, technology is drastically developing in almost every aspect of business. E-commerce is not an exception. More over, it is recognised as the most modern aspect of the technology influencing organizations that are looking for new customers to expand the competitive marketplace; it helps to draw the customers' attention through customization of their offerings. Additionally, it functions to ensure efficiency and effectiveness via differentiation.

1.2 BACKGROUND AND THE PROBLEM

The process of conducting commercial transactions through digital networks, Internet, and other similar technologies can be termed as e-commerce. While retailing involves a direct selling of products or services to a user, multi-purpose business presupposes serving such multiple products and services to customers. Differentiation is the process of presenting its offerings as unique and different from those offered by market competitors. Various patterns of e-commerce applications are helpful in obtaining comparative uniqueness of retail/multi-purpose businesses in terms of internet service, network facilities, cable networking, and digital channels.

For this reason, many mega or even local retailers are nowadays striving to implement visual attractiveness and usability of those techniques to attract a number of potential customers. In the dissertation under analysis, the global branded venture capitalist named Virgin Group is analysed in regards to their success of winning competitive uniqueness through integration with e-commerce strategies. At presently, it records the revenue of £11 billion and has corporate domains in cell phone, leisure, travel, amusement, and financial retailing.

1.3 RATIONALE FOR THE RESEARCH

Although the evolution of e-commerce has originated because of the basic purpose of venture capitalisation, modern business environment is more complicated with diversified customer needs and expectations for which retailers have been pressurized the most as they need to consider the customers' interests. Under this circumstances, they have to initialize several steps, which are used to create different images of their organizations for generating a greater customer base. Customers are basically interested in getting various benefits including product mix, price efficiency, prompt service, well-communicated promotion, bundling package, information delivery, etc. All those tasks can be well associated by different e-technologies through developing communication, transaction, distribution channels, improved customization and business processes, involvement in e-trading, modified structure and level of specialization, enabling strong connection with the present customers through IT; it also contributes to new clients making. Another important technique relates to innovations of new offers, namely, the Internet has become an effective means of accumulating information, customer identification, and product introduction. Similarly, bundling strategy can also be used by the multi-retailers to increase an advantage of all offers by gaining customers from other offers, generation of financial leverage and counteraction of alternative products from existing and new rivals. Therefore, e-commerce strategies can be effective for creating the traditional level of customer satisfaction along with meeting both organizational and individual exchange objectives. The success factors in integrating this idea could be visually explained by the following figure below.

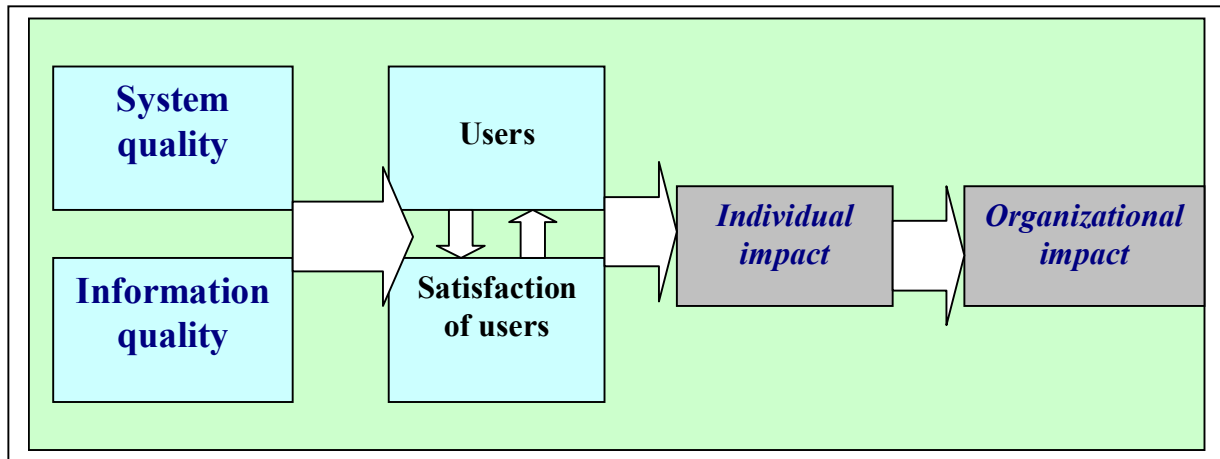


Figure 1: Success model of information and technological implementation

1.4 RESEARCH QUESTIONS AND OBJECTIVES

The current dissertation aims at answering the basic research question, which is "Which e-commerce techniques are the most influential to develop competitive advantage for acquisition of customer satisfaction for a retailer or multi- service operator?"

The answer to this question will enable a marketing manager to implement various forms of e-commerce tools for corporate non-competitive offerings differentiated by increasing the customer level of satisfaction.

Thus, there are five research objectives that are established in the paper:

- Identification of the way the e-commerce process works in retail business of multi product firms as an innovation-driven factor in Virgin UK;
- Identification of the development phases of e-commerce as a strategy of Virgin UK along with the possible initiatives for further advancement;
- Recognising the shift of e-tailing of multi-product firms towards the practical development of competitive strategy;
- Measuring the extension of e-commerce process of Virgin UK is in efficiency for providing competitive advantage from ICT;

- Identification of the development of modern e-commerce application for increasing organizational capabilities.

1.5 SCOPE AND LIMITATIONS OF THE STUDY

The potential scope of conducting this study extends from notification and analysis of every aspect of creation a unique value that Virgin UK had already conducted. And, as the research field is indicating, such kind of value generation is an ultimate criterion of understanding and implementing of the most significant tools and techniques of e-commerce, in particular, marketing, management, customer service, IT, IS and internal process development.

Some integral limitations of the task are as following:

- Limited time for making an expanded research work;
- Obstacles in gathering primary data because of lack of cooperation of target respondents as well as their reluctance to find enough time to pass on the necessary information;
- Limitation in budgeting and planning framework;
- Limited support for gathering information from private and press sources;
- Complicated analysis and conversed shape of actual data;
- Difficulty in co-relating technological issues with vast and multi-product retailing procedure of the Virgin Company.