

**Guaranteed by WebGenie**

A project idea



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# INTRODUCTION

This is a very preliminary description of a project idea. No market research has yet been conducted.

An online business that is not a widely known brand has the issue of reputation, or lack of it, over the web. Before buying something a customer usually looks for brand name and/or reviews. In the case of SMEs both these are hard to come by. Even when there are reviews by past customers, they are not always a good indication of the reliability of the business. These reviews are generally biased, often negatively, and un-moderated. Most SME sites do not have reviews on their page. A customer must look for reviews by a Google search and read several reviews before making up their mind to purchase even a low-priced item.

## Overview

The proposed project aims to solve this issue by providing an SME a link to display and consolidate the information and reputation of the company in a quick and easy way to understand. The link, showing a badge like “Guaranteed by WebGenie” (GWG), will take the user to a page that lists the company’s ACN and/or ABN, years in business, level of reputation and other details. It will also tell the potential customer the number of times the company’s product/service has been returned, how well they handle such returns, etc. It will also tell the customer that if the company refuses to honour their return guarantee, then the customer will get a refund from GWG, provided that the request is within the company’s original conditions such as period of guarantee, return of items, etc.

## Project Potential

A badge on a site may increase the sales. If the monthly subscription is below the increased profit margin it will be win for the SME.

If none or less refunds by GWG, there will be no risk.

This NOT an indemnity insurance. The vendors are responsible for the refunds and cannot assume that GWG will pay for all refunds. The main purpose is to put more confidence in customers to purchase an item(s) from the vendor.

## Method of Operation

The SME must sign up and provide all required details such as…

* ABN/ACN
* Registered address
* Years in operation
* Average product value
  + Must be below $500
* Maximum product value
  + Must be below $1,000
* Money back guarantee period
* Money back guarantee conditions

Based on the info given, a monthly subscription price is calculated. This may be fixed as twice the maximum product value or a minimum fee, whichever is higher.

A badge is provided to the SME to be placed on the site. Clicking it will take the user to a page where the company details as given above plus past disputes and their resolutions will be displayed. The customer will be given an opportunity to lodge a comment, but only those who requested the help of GWG to resolve a dispute will be allowed to write a comment. They will be required to give proof of purchase.

## Risk Mitigation

Mitigating the risks of either the customer or subscriber (vendor) gaming the system is important.

* An agreement with the vendor setting out the conditions.
* A monthly subscription fee that is enough to cover the refunds.
  + Immediately deny if more refund requests come in (gaming)
* Communication with the subscriber.
  + All refund requests along with customer and purchase details.
    - These will be published, less the customer details.
  + High or 100% compliance with refund requests will reflect in the vendor’s star rating.
    - Too many refund requests, irrespective of fulfilled, will reduce the customer confidence, though will not affect the star rating.
* Communication with the customer.
  + Verification of the customer’s claim.
    - Date purchased, payment receipt, etc.
    - Evidence of refusal by the vendor.
* Customer must contact the vendor first.
  + If no response, GWG will contact them on their behalf and get the details.
  + Present the details to the customer, allowing them to counter claim.
* If a vendor refuses to honour a refund claim, it will be recorded against them.
  + Initially the badge will carry a 5-star rating.
  + Refused refunds on first contact by customer will reduce the start rating.
    - If the refund request is honoured subsequently, upon intervention by GWG, the reduction in star rating may be cancelled or reduced.
  + Payment by GWG to the customer will result in a higher reduction in star rating.
    - The subscription will be cancelled if more than two refund requests are to be met by GWG in one month. The vendor will also be listed on GWG’s page.
* If GWG pays a customer, then the vendor will be notified and asked to reimburse the amount plus admin fees. If they do, there will be no reduction in star rating.

If every refund request is promptly handled the risk can be reduced. Thus, any refund request by a customer will immediately put a block to further requests while the current request is being processed. The new customers who tried to lodge a refund request will be told that a request(s) is being processed and asked to try again later. The vendor will be notified if there are more requests while one is being handled. It will be a deterrent to the vendor to prolong the negotiations.

Continued refusal to reimburse GWG’s costs will result in a black mark against the SME if they continue to show the badge on the site. If it is a dodgy operation, then the first customer will probably end up as the last customer. The vendor’s subscription will be cancelled if they refuse to reimburse GWG’s costs.

This system is to help SMEs that sell low to medium priced items such as clothes, electronics, watches, low priced jewellery, etc. It is NOT to be offered to vendors who sell high priced items such as cars, expensive equipment, etc. The selection criteria will specify these in the communication with the vendor.

## Marketing Strategy

Direct marketing by contacting the online vendors. We may have to get the services of marketers. Some ideas are given below.

* Contact via their online forms or emails.
* Offer a “Try before Buy” subscription period.
  + Take the credit card details.
  + If any claim during this period, then charge it to the card.

## Legal Requirements

Must find out whether there is any legal restriction with such a service. If it must be accredited via a Govt agency, then find out the conditions and cost. Perhaps ACCC is a good place to start.

## Operational Details

Operate as a subsidiary of WebGenie Software Pty Ltd. It will give confidence due to the age of WebGenie.