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**Project Report : E – Business Strategy**

**WOODEN KITCHENWARE**

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1. **SUMMARY AND MOTIVE OF THE COMPANY :**

Wooden Kitchenware is a virtual business-to-consumer (B2C) e-commerce company that’s specializes in selling sustainable and eco-friendly kitchen utensils made from high-quality wood. Their mission is to provide customers with kitchenware that is not only functional and aesthetically pleasing but also environmentally responsible. Wooden Kitchenware aims to tap into the growing demand for sustainable and eco-friendly products in the home goods market by offering a range of wooden kitchen utensils that are both functional and sustainable. They consume fewer resources, generate fewer byproducts, and generate less waste than single-use plastics. Furthermore, they are cheaper than plastic when produced with a robust supply chain and project an environmentally conscious image for restaurants. This is an essential step in capturing the growing market of environmentally conscious consumers. With concerns about climate change and environmental degradation on the rise, more consumers are seeking out products that are environmentally responsible and ethically sourced. By establishing itself as a leading brand in the eco-friendly kitchenware space, Wooden Kitchenware seeks to appeal to this growing customer base.

1. **MODEL SELECTION:**

Over the last three decades, strategy has been the primary building block of competitiveness, but in the future, the quest for sustainable advantage may well begin with the business model [2]. A business model is your company's strategy for making money. It is an explanation of how you provide value to your customers at a reasonable cost. This includes descriptions of the products or services you intend to sell, information about your target market, and any necessary expenses [3]. The development of a design is the foundation of manufacturing wooden utensils. That can be the most challenging task of the process. Here are some things to keep in mind when designing a practical and innovative product.

**Scout Out the Competition**

The industry will grow by 2.4 percent in 2021, with a market value of 15.8 billion dollars. First, conduct research both formally and informally. Go through popular industry trade magazines like Kitchenware News, Kitchenware International, and Houseware Trade Publications. Focus on market trends because it will help you evaluate the uniqueness of your product and whether it’ll be profitable. Conduct preliminary research by going through online databases listing kitchenware businesses nearby. Narrow down your search and start visiting a range of shops, spanning from major retailers to small local shops. Plan your trips to correspond with the launch of new collections. Most retail stores launch new items in the fall to facilitate holiday shoppers.

**Consider The Capital Investment**

To determine cost-effectiveness, start by building a prototype. Before going ahead with mass manufacturing, it’s critical to get a reliable estimate of cost and how you’ll distribute it. You can use several accounting techniques to do this, but we suggest contacting our network of professionals to calculate cost-effectiveness. The production cost must be reasonable for marketing quality products at a competitive price and turning a profit. You can use different accounting techniques to compare the costs of building a prototype to get an estimate [4].

**Factors Used for Selecting Models:**

• **Competitive Landscape:** Research your competitors to gain a better understanding.

as part of their value proposition

**• Ideal Customer:** With a better understanding of the market's size and how to enter it,

When you can effectively access it, the characteristics, and qualities of the consumer you want to serve begin to emerge.

emerge.

**• Channels of distribution:** direct sales force, distributors, e-commerce sites, retail stores

Distribution options include sales repositories and marketplaces. This is essential for

Profit and expenses vary greatly depending on the model selected.

**• Revenue Streams:** A successful business strategy should look into other ways to increase revenue.

In addition to making money, value and create money.

**• Strategic Partnership:** Some businesses require partnerships because their products and services are unique. Their business model relies heavily on services.

**• Market Potential:** Conduct surveys to determine market potential. Based on people's interests and the product, determine the size of the audience that the product can reach.

**2.1 BUSINESS MODEL FOR M-COMMERCE:**

There are a lot of definitions of m-commerce in the literature. Some authors define it as a subset or an extension to the ideas of e-commerce. R. Kalakota & A.B.Whinston (1997) defines e-commerce as "the ability to buy and sell products or information on internet or other online sources" [1]. Some researchers propose that the aspects of e-commerce can be applied to m-commerce. Others define it as a business transaction with the exchange of anything of value through a mobile network [5]. Traditional software had a few business models, the most common of which were license sales and subscriptions, but adopting mobile gives you access to an almost infinite variety of business models and combinations. Depending on the product, the corporation may employ one or both models listed below:

* **Freemium:** A combination of the words "free" and "premium," freemium is a type of business model that offers basic features of a product or service to users at no cost and charges a premium for supplemental or advanced features. Freemium models are especially popular among software applications and internet-based businesses. This type of business model has the advantage of acquiring a large set of initial users, especially when there's no cost associated with trying out an app or a service. Ultimately, for the freemium model to work, companies must ensure their premium users can access more upgraded features, such as increased storage or customizations, and additional customer service [6].
* **Extend an existing business into the mobile world:** The two primary reasons for extending an existing business into the mobile world are to improve the line of business and extend reach to new customers. By extending existing features to the mobile world, companies can provide a better user experience, and mobile platforms allow them to reach new clients who might not otherwise engage with their products or services [5].
* **Service-based application:** A Service-Based Application is composed of a number of possibly independent services, available in a network, which perform the desired functionalities of the architecture. Such services could be provided by third parties, not necessarily by the owner of the service-based application [7].
* **Subscription-Based Application:** A subscription-based model is a revenue model that sees users subscribe to an app by paying a regular monthly fee for access. This model has proven to be successful for popular app-based brands like Netflix, Spotify, Tinder, and Disney+. In exchange, apps offering a subscription model must continuously improve their offering or provide new incentives to retain customers [8].
* **Sell affiliate products through your app:** Mehmood (n.d.) discusses the concept of selling affiliate products through mobile apps. App affiliates promote specific apps and earn a commission each time a new user starts using the app [5].
* **E-Tailing Business Model**: Electronic retailing (E-tailing) is the sale of goods and services through the internet. E-tailing can include business-to-business (B2B) and business-to-consumer (B2C) sales of products and services. Strong distribution channels, such as warehouses, internet webpages, and product shipping centers, are critical to electronic retailing as they facilitate the movement of products to customers [9].
  1. **BUSINESS MODEL FOR B2B MARKETPLACE:**

**E-commerce technology that can meet the needs and complexities associated with traditional B2B workflows and customer preferences is required for modern B2B businesses. As the B2B landscape evolves, B2B companies are constantly looking for new ways to compete.**

**Most e-marketplaces serve one of two purposes:**

**1) they help businesses find new suppliers or customers for their products, or**

**2) they help businesses create streamlined trading networks that make bargaining, settlement, and delivery more efficient.**

**The following are examples of B2B Marketplaces:**

* **Supplier-oriented marketplace: In this arrangement, both individual customers and business users use a common marketplace provided by the supplier. A supplier provides an e-store for sales promotion.**
* **Buyer-oriented marketplace: In this model, the buyer has his or her own marketplace or e-market. He encourages suppliers to bid on the product catalog. A buyer company launches a bidding portal.**
* **Intermediary-oriented marketplace: In this arrangement, an intermediary company maintains a marketplace where business buyers and sellers can trade with one another.**
* **Vertical e-marketplaces and horizontal e-marketplaces: Vertical e-marketplaces provide firms with online access to every segment of a specific industry sector, such as automotive, chemical, construction, or textiles. Using a vertical e-marketplace to buy or sell in your industry sector can help you improve operational efficiency while lowering supply chain costs, inventories, and procurement cycle time [10].**

For Hardwood Kitchen Utensils, we use a B2B Intermediary Marketplace concept that connects buyers and sellers. Sellers from all over the world can showcase their wares and attract buyers. Hardwood Kitchen Utensils will act as a middleman, providing vendors with a platform. Sellers can sell their items to Hardwood Kitchen Utensils, which will act as an intermediary to display the items. Customers can sign up by going to the website. Hardwood Kitchen Utensils will procure consignment from suppliers, repackage it, and distribute it to subscribers.

* 1. **BUSINESS MODEL FOR COLLABORATIVE COMMERCE:**

Growth in eBusiness has increased research into online business models, which are classified into two broad categories: goods and services provider models and collaborative models. The collaborative commerce marketplace (CCM) is critical in eBusiness models, but it is only discussed in academic literature in relation to the management of parts of the supply chain, not the system (Hodge and Cagle, 1970) [11].

These models can be divided into two major categories:

• **Goods and services provider models**: these enable the direct sale of goods and services (including information) over the Internet, with eBay serving as an example (Kalakota & Whinston, 1997) [1].

• **Collaborative models:** these enable businesses or individuals to work together to achieve a business goal, such as contract tendering, partner/supplier selection for joint contract bidding, CCM, and virtual teams or communities on the Internet (Hodge and Cagle, 1970) [11].

Wooden Kitchenware intends to collaborate with the following organizations:

• **Logistics Providers:** To carry out the strategy and ensure timely product delivery. Hardwood Kitchen Utensils must collaborate with logistics firms such as UPS and FedEx (Johnson, 2022) [4].

• **Third Party Payment Gateway:** Through the integration of third-party payment gateways into the website and mobile app, Hardwood Kitchen Utensils will accept payment in all electronic forms, including credit card, debit card, loyalty points, PayPal, and others. Worldpay, authorize.net, PayPal, and Stripe are examples of payment gateways (Mehmood, n.d.) [5].

* 1. **BENEFITS FOR CHOOSIN THESE MODELS:**

The following are the advantages that this model will provide to the company:

* A good business models gives the company a competitive edge in the industry.
* A strong business model provides the company good reputation in the marketplace encouraging the investors to remain invested in the company.
* Making the business model strong leads to an ongoing business profit leading to increase in cash reserve and new investments.
* Proven business model brings a financial stability in the organization.
* **Create an online presence:** In today's world, more than 80% of the online population makes some sort of online purchase. Since the majority of businesses now have an online presence, most customers would expect Hardwood Kitchen Utensils to be included. Hardwood Kitchen Utensil’s foundation is built on the online platform it promises to provide. As a result, the proposed model would aid in elevating the platform's profile and increasing the company's visibility.
* **Lower operational costs:** In the e-commerce sector, a company like Hardwood Kitchen Utensils will save a lot of money. By hosting its platform using a web-based management system and not having to keep track of inventory, the company saves money. Because the company will be established on platforms provided by companies such as Amazon, the only thing they need to worry about is the quality of their content and marketing their platform. Furthermore, unlike a traditional store, where inventory management is critical, running an e-commerce firm does not incur the same overhead costs, and most businesses practice just-in-time inventory management, which can be both disastrous and advantageous.

Bader, S. (2022, March 23). Common risks with ecommerce: How to avoid them. Rewind.

Retrieved May 17, 2022, from https://rewind.com/blog/ecommerce-risks-how-to-avoid/

* 1. **BENEFITS OF THE MODEL TO THE COMPANY:**
* Increase brand recognition
* Minimal B2B marketing costs
* Lower customer acquisition costs
* Higher order value and volume
* Default loyalty creates predictable revenue
* Automated sales and business processes

1. **IT STRATEGY:**

An IT strategy is a component of your overall business strategy that aims to align technology and operations with business objectives. It clearly defines the goals and objectives for how those technologies will be implemented and used, as well as how the technology strategy will support key business objectives. With this strategy in place, everyone in an organization knows and understands that as business needs change, so must technology. Business outcomes, competitive differentiation, and customer value are all enabled by an IT strategy.

**3.1 EXPANSION STRATEGY FOR MOBILE COMMERCE, B2B MARKKETPLACE, AND COLLABORATIVE COMMERCE:**

An effective expansion strategy for mobile commerce, B2B marketplace, and collaborative commerce is crucial for the success of businesses operating in the digital landscape. In the realm of mobile commerce, businesses can leverage the widespread use of mobile devices to offer their products or services through online platforms and mobile applications (Kalakota & Whinston, 1997) [1]. The adoption of a mobile-first approach allows companies to tap into a larger customer base and enhance user experiences through mobile-optimized interfaces (Hargrave, 2022) [9]. Additionally, embracing a B2B marketplace model enables businesses to connect and collaborate with other organizations, facilitating streamlined procurement processes, contract tendering, and joint contract bidding (Hodge & Cagle, 1970) [11]. Collaborative commerce platforms play a vital role in fostering efficient supply chain management and enabling effective collaboration among business partners (Hodge & Cagle, 1970) [11]. By leveraging the power of collaborative models, companies can form strategic partnerships, share resources, and expand their reach to new customers, ultimately driving growth and innovation in the digital economy.

* 1. **COST ESTIMATE OF THE BUSINESS:**

The sophistication of the site and the use of cutting-edge technologies determine ecommerce pricing. As a result, the budget is predicated on it.

Consider the following factors when developing an ecommerce solution:

Financial Transaction Fees: Hardwood Kitchen Utensils Store will accept payments through a third-party payment processor. It will require the use of a shopping cart as well as a merchant bank account to receive your processed payments. Shopping carts and payment gateways are generally inexpensive in terms of initial investment, but transactional fees can range from 1% to 5%, depending on volume.

* **Hosting and security costs:** Hardwood Kitchen Utensils Store must protect customer payment information while remaining online when traffic levels fluctuate. Website hosting companies charge a lot of money.
* **Cost of Your User Interface and Architecture:** Creating a site that is intuitive, easy to navigate, appealing, and clutter-free for all users can be costly.
* **Marketing Costs:** Visitors to a successful e-commerce site will not arrive unless some money is spent on marketing the site. By hiring SEO experts, Hardwood Kitchen Utensils Store can improve its page ranking. Hardwood Kitchen Utensils Store should also be on Instagram, Twitter, and Facebook.
* **Cost of Customer Relationship Management:** In addition to advertising, an apparel company must budget for customer service via phone, email, and online chat. You must also consider the costs of supplier servicing, inventory management, tax collection, and website traffic analysis.
  1. **BUDGET FOR THE BUSINESS:**

|  |  |
| --- | --- |
| **Factors** | **Cost** |
| Hosting | $800 |
| Design | $9,000 |
| Setup / Configuration | $1,000 |
| Maintenance | $2,500 |
| Inventory | $6,000 |
| Operational Cost | $7,000 |
| Marketing cost | $2,200 |
| Setting up payment gateway | $1,500 |

* 1. **FINANCIAL SECURITY:**

Rather than raising $700,000 from a venture capitalist and then launching, the wooden utensil company plans to raise $30,000 from personal savings and close friends. Figure out how to persuade people to work for a pittance in a wooden utensil business (in exchange for equity and deferred salary). It is critical to create a sellable product or service. Start selling. Use the money you make to fund future product development and improvements. When Hardwood Kitchen Utensils Store reaches $30,000 in monthly sales (or 52,500 users in a consumer web/mobile startup), we'll seek seed funding to help us develop our product and scale our model. Raising capital would be difficult until the Hardwood Kitchen Utensils store became well-established.

**3.5 IS IT AFFORDABLE ?**

Wooden utensils offer not only an aesthetically pleasing addition to a functional kitchen but also numerous technical advantages. Unlike materials such as steel, wood does not react with food, ensuring that no metallic taste is imparted. Additionally, wooden utensils are non-conductive, meaning that even when left in hot dishes, the wooden handles remain cool to the touch. Moreover, wood is gentle on all types of cookware, including delicate nonstick pans and sturdy cast iron Dutch ovens, preventing any concerns about scratching, or damaging the coating.

**4. IMPLEMENTATION STRATEGY AND COMPARISON:**

**4.1 IMPLEMENTATION THE BUSINESS PLAN:**

Implementing a company's strategic plan is crucial for its success. It is not enough to create a plan; there must be a well-thought-out mechanism to put it into action. The first step in execution is to ensure the accuracy of the plan.

To achieve this, it is important to identify any unrealistic elements and foster a sense of belonging among all employees at the Hardwood Kitchen Utensils store, ensuring that everyone is aware of the company's objectives and goals. It is also necessary to analyze competitor and customer profiles, taking into account marketing and financial considerations. Each issue should be addressed individually, delving deep into the root causes, and taking appropriate action.

Conducting market research for each segment is equally important. For instance, if the Hardwood Kitchen Utensils Store plans to have an online presence and a mobile app, market research should be conducted to understand customer preferences, desired app features, and popular mobile app designs. This research will serve as the foundation for implementation. The store intends to outsource development to an IT solution provider with a strong understanding of the concept and the ability to implement it efficiently.

For a B2B Marketplace, finding reliable suppliers is critical. Suppliers should be capable of meeting unexpected demand and maintaining positive relationships with them is essential for long-term success. Commercial terms should also be discussed with suppliers. Additionally, wooden utensil firms must carefully select cooperating partners based on performance, affordability, support, user community, and sustainability. Once a suitable partner is chosen, the store can commence collaboration with them in earnest.

**4.2 DIFFERENCE BETWEEEN THE OLD AND NEW PLAN:**

* Wooden Kitchenware intends to expand its business into mobile commerce, B2B marketplaces, and collaborative commerce, the following differences have been observed when compared to the previous plan:
* The new strategy is as follows:
  + Low in cost
  + Saves time
  + Is very convenient
  + Is easily accessible
  + Has a good profit margin
* Targets the right audience through the right medium
* Reliable because it has well-defined agreements with both partner organizations and instructors.
* User-friendly because it allows its partners and the general public to request changes. It has made the platform more adaptable to their needs.

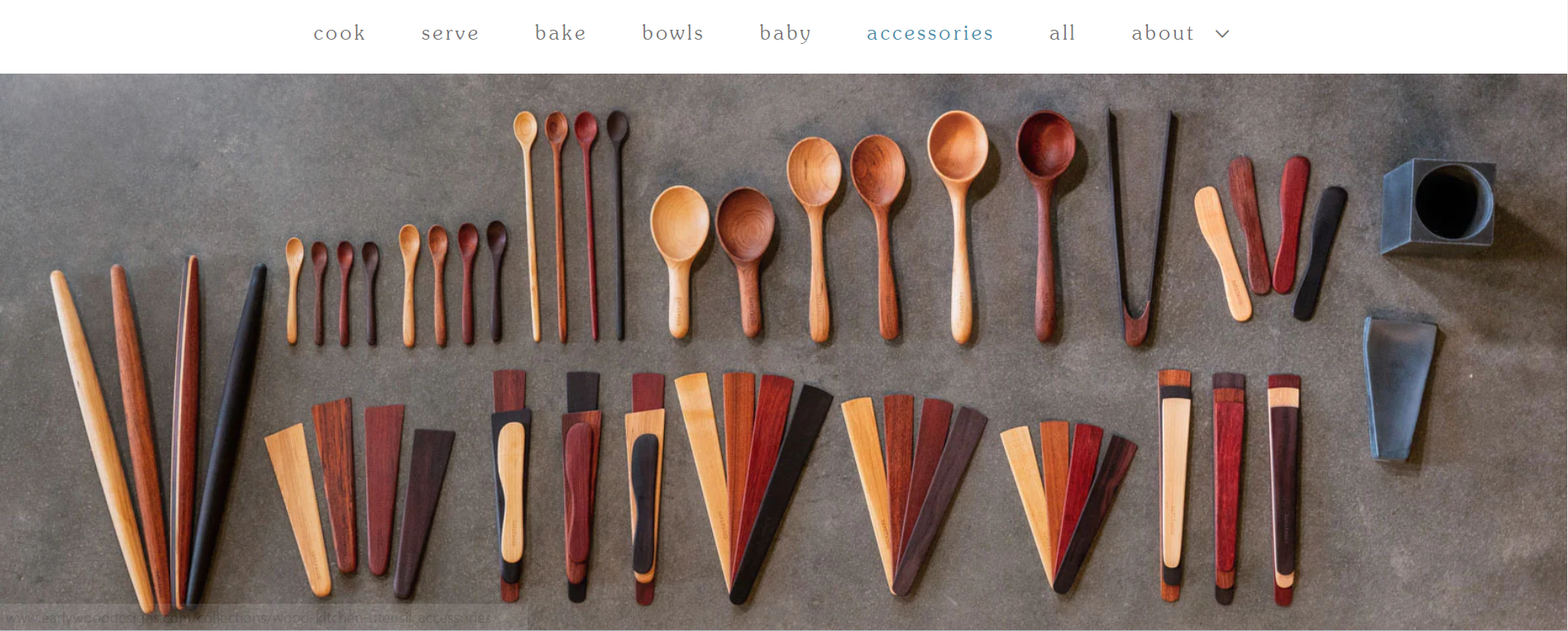
Our product differs from other competitors in the following way:

* Encourage the use of non-plastic products
* Maximizing the use of Eco-friendly products
* This will be a better replacement for non-recyclable material like plastic
* Avoiding materials which are hazardous to environment
* Attractive and intuitive website
* Promotion offers for frequent buyers.
* Use of eco-friendly and recyclable packaging.
* Planting a tree after every purchase of the product.

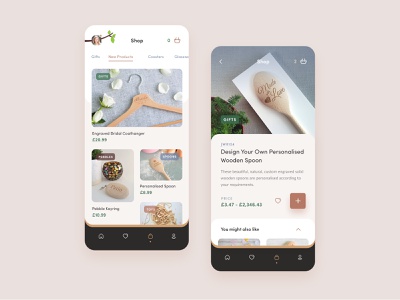
**4.3 CHALLENGES AND RISKS OF THE MODEL:**

In implementing the B2B e-commerce model, several challenges and risks need to be addressed:

1. Maintaining customer relationships: Establishing and nurturing strong customer relationships in the B2B context can be challenging due to longer sales cycles, multiple decision-makers, and complex procurement processes. Building trust, providing exceptional customer service, and ensuring ongoing communication are crucial.
2. Market and competitor analysis: Conducting thorough market research and competitor analysis is essential to identify target markets, understand customer needs and preferences, and stay ahead of the competition. Lack of accurate market insights can lead to ineffective strategies and missed opportunities.
3. Choosing the right technology: Selecting the appropriate e-commerce platform, software solutions, and IT infrastructure is critical. Poor technology choices can result in inefficiencies, limitations in scalability, compatibility issues, and difficulties in integrating with existing systems.
4. Data and cybersecurity: Protecting sensitive customer data, financial information, and intellectual property is a paramount concern in B2B e-commerce. Robust cybersecurity measures, data encryption, secure payment gateways, and adherence to privacy regulations are necessary to safeguard against data breaches and unauthorized access.
5. Marketing, visibility, and lead conversion: Effectively promoting products and services, increasing brand visibility, and converting leads into customers pose significant challenges. Developing targeted marketing strategies, optimizing digital channels, and implementing lead generation tactics are vital for success.
6. Meeting the demands of a complex B2B buying process: B2B transactions often involve complex procurement processes, customized pricing, negotiated contracts, and unique product configurations. Understanding and accommodating these complexities, including customization options, seamless order management, and efficient supply chain operations, is crucial.
7. Pricing and shipping: Setting competitive pricing strategies while considering factors such as product costs, profit margins, market demand, and customer expectations is a challenge. Additionally, ensuring timely and cost-effective shipping, managing logistics, and handling returns are key aspects of successful B2B e-commerce operations.
8. Return and refund policies: Dealing with product returns, exchanges, and refund requests can be more intricate in B2B e-commerce due to bulk orders, contractual agreements, and unique product specifications. Implementing clear and fair return and refund policies is essential for customer satisfaction.
9. Increasing sales and long-term growth: Sustaining sales growth and achieving long-term success require continuous efforts to expand customer base, enter new markets, innovate products and services, and adapt to changing industry trends. Consistent sales performance and scalability are important considerations.
   1. **WEB INTERFACE:**



* 1. **MOBILE INTERFACE:**



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