Webmerise Whitepaper

Contents

1.0 What is the Internet in Simple Terms?

2.0 How do I Make Short Term Profit?

3.0 Do I Want to Be in Business Long term?

4.0 Am I Ready For e-commerce?

5.0 How Can Webmerise Help?

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1.0 What is the Internet in Simple Terms?

The Internet is simply a collection of computers linked together, as the word suggests: International Network

The linking of these computers (commonly called servers) has created a new communications tool, allowing far more data and information to be exchanged, than was previously possible.

At its heart the Internet has three major parts to it:

1.1 Electronic Mail

In essence it works the same as the mail outside, but it has a number of advantages:

- It is very easy to send to many people
- Delivery can be nearly instantaneous to anywhere in the world
- It costs less than a postage stamp
- Because its within a computer, it can be automated
- It may contain files that a computer can use directly

1.2 World Wide Web

Imagine the world's biggest encyclopedia, containing pictures, music, movies and of course words. In essence, this is what the World Wide Web is, but instead of there being one publisher, there are thousands leading to a multitude of sources sometimes providing contradictory views and opinions. The amount of information on the web has led to Search Engines, which when asked a question try and find the most relevant information.

This is also the part of the Internet where E-Commerce transactions take place.

1.3 Newsgroups & Chat

Newsgroups are the part of the web, where people post messages for public reading. They are divided by subject matter and in some forums lead to heated exchanges of opinion.

Internet Relay Chat (IRC) is a part of the web, where people may talk directly to one another, again it is divided by subject matter and it can be public. It should be noted that there are other systems, which are trying to take the place of IRC, notably provided by America Online and Microsoft.

1.4 Introduction to E-Commerce

E-Commerce is the common name for the part of the web where money is transacted, it is a different form of shopping and has many advantages, shown below:

- There are no pushy sales people
- No closing Times, the Internet is open 24 hours a day, 365 days a year.
- No parking problems or time taken in transportation
- No unpleasant shopping arcades or intrusions of privacy by strangers.
- Available from the comfort of a director's chair to the sofa in a living room anywhere in the world
- Price comparisons, technical specifications, consumer opinions and reviews are quick and easy to find.

2.0 How do I Make Short Term Profit?

2.1 Advertising

As part of any communications strategy the Internet has a large part to play, imagine a sales person who works:

- 24 hours a day, 365 days a year
- Can speak any language. (Interpreting software is not perfect, but will give a readable translation.)
- Is available anywhere in the world
- Always sends out the company message, as it was intended

2.1.1 Target Audience

Right now the Internet is available to 25% of the Uk population, that is an impressive 14 million people. There are areas with higher Internet penetration:

- University Students 100% access availability, every University in the country provides free access to Email and the web as part of the education services.
- Sky Digital Customers All Sky Digital customers have Internet access available for a small monthly fee.
- The Retired Population The fastest growth area for Internet usage is in the 60+ age group, due to the additional free time this age range has.

The cost of entry to the Internet has been substantially reduced with the proliferation of Internet Computers, Internet cafes and the price of Personal Computers. Most businesses already have the key components for Internet entry, a telephone line and a computer.

Searchable Media

The Internet is one massive database and can easily be searched.

So if for example a potential customer wishes to buy stationery and find the cheapest supplier. Then a database is a very easy way to compare prices quickly.

At the other end of the scale if a customer wishes to buy the very best Hi-fi on the market then the net would allow the customer read up on the subject from all available sources including: companies websites, personal websites, newsgroups and perhaps even chat to somebody on-line.

If you are not represented on the net, then the customer will be unaware of your pricing, features and benefits. Only your competitors message will be heard and you will have no way of influencing people's perceptions of you.

2.1.2 Reinforces Other Media

If you only have a small advert in the newspaper, 30 seconds radio time, a bill board or a business card then one line can be a gateway to more information, your web address.

Web address are normally very short and can easily be remembered, for example most people can remember bbc.co.uk, but they would be unlikely to remember the entire BBC schedules.

Market Research

The Internet provides tremendous scope to capture user information. Below is a table showing the three most common methods of capturing information:

Basic

Information Every person that visits a Website is recorded in the form of "Hits", which is a simple counter. Also available is the "domain", which provides a rough guide as to where they came from.

User Surveys

The simplest form of gaining data is to provide feedback forms, surveys or ask visitors to register with the site. To encourage this many sites provide added features for registered users or prize draws.

User

Participation The Internet is an interactive media, so whatever that user looks at or uses on the site can also be recorded. The most popular pages and interactive elements can be highlighted and quantified.

For example they visit a Job Recruitment site and search for "Engineering jobs in the South East", it would be possible to record this information.

2.3 Product & Service Support

There are a number of ways that the Internet can assist in providing product and service support for your company. Although the Internet will reduce the overheads for the company, that is not to say additional charges can not be made for customer support where appropriate.

2.3.1 Online Manuals

The Internet allows product manuals to be placed on-line without the cost of printing or postage and once made they can be more easily revised. This is particularly helpful where the product is complex. A small User Guide can be sent to all customers, but the technical manual or programming manual can be placed on-line without great expense.

2.3.2 Frequently Asked Questions

Helplines are often asked the same common questions, time and time again. These common questions can be placed on the net reducing calls to expensive telephone support centres.

2.3.3 User Support

The Internet is a community and it is possible to set up "newsgroups" and "chatrooms" where users can discuss problems and come up with solutions without burdening support problems. This is particularly common for computer games, but there are groups on every subject conceivable.

Email Support

The cost of telephone lines is expensive, particularly if provided on a toll free number or out of office hours. whereas Email support need only be provided during office hours, but the customer can send emails at any time from anywhere in the world.

On the Telephone the whole answer needs to be explained, whereas by Email if the answer is similar to questions asked by other customers, a previous answer can be quickly edited to suit. By Email the answer is in a permanent form and does not rely on the customer taking their own notes. If a customer forgets they may re-read the information or it may be quickly resent. There are no additional charges for international emails.

2.4 Short Term E-Commerce Profits

There are three types of company that are making substancial short term profits from E-Commerce, if part of your company employs a similar business model, then short term profits can easily be made:

2.4.1 Mail Order Companies

Mail order companies already have the infrastructure to handle e-commerce orders, so it is a natural extension. An e-commerce section reduces overheads:

- No catalogues have to be printed and distributed
- The ordering process is automated
- Less errors because the customer enters the data themselves.

Similar in nature are companies that take orders on the telephone. For Example Easyjet, car hire sites and travel agents.

2.4.2 Pay Per View Information

This particularly applies to magazine publishers, journal publishers, financial information and adult oriented entertainment.

- The Information may be paid for by the Internet consumer directly
- The Internet Service provider (who takes either a subscription or a share of the telephone revenue from the consumer)
- An interested third party, for example infomercials where the manufacturer pays for the favourable coverage, press releases or advertising other sites.

Software Companies

Software can be both delivered and paid for via the Internet. Also relevant are music files, video files and computer games.

3.0 Do I Want to Be in Business Long term?

There is a gold rush towards E-commerce at this very second, many of which are not making a profit, yet their stocks are not slumping as any other company would. So why are investors putting their money in e-commerce startups?

Because like a gold rush, it is a race for the best places on the net, the best brands and market leadership.

Internet access in the United Kingdom is already at 25% of the population and that figure will grow dramatically with digital television, free internet telephone calls and associated technologies.

Also in the United Kingdom, Vodafone have invested just over 6 billion pounds to buy a license for the airwaves to provide mobile access to the Internet. Cellnet, Orange, One2One and TIW have also invested 4 billion pounds each in their licenses with similar aims. That does not include the cost of making the infrastructure or the cost of developing the mobile technology.

Nobody doubts that the Internet will play an increasing role in people's lives, six years ago the Internet was only known to academics and computer geeks. Internet coverage now dominates the national headlines, the television advertising schedules and newspaper print.

This is a fight for the future, the Gartner group predict that 50% of all business to business transactions will be made by e-commerce in five years time.

There will be a minority of businesses that can successfully trade without the benefits of the Internet, but for the majority of business the race has begun to secure market share in this millenium's new trading environment.

4.0 Am I Ready For e-commerce?

3.1 Assess Your Present Position

To begin with ask yourself the following questions:

- Could the product or service be sold by mail order or over a telephone?
- Is it possible that repeat business could be sold by mail order or over the telephone?
- Do you accept credit card payments?
- Can you deliver your service or product either electronically or through a mail courier?

Thinking laterally helps when deciding the answers to these questions, because if your company does not come up with the solution, then eventually somebody else will.

Because Webmerise recognises that creating an E-Commerce site does not begin with the programming, we have an in-house marketing team to advise you on the best way to create an E-commerce site that fits with your overall strategic vision.

3.2 A Word of Warning

- Any mistakes made on the Internet can easily broadcasted to interested parties including other customers, shareholders and your competitors.
- Secure transactions are your responsibility, if there are security holes, then it is the vendor not the bank or consumer who pay. This is in-line with other transactions where the customer is not present.
- Other security holes may mean electronic products are given away freely on a global scale or sensitive information is made available on the free market.

Webmerise can advise you on the best course of action to avoid fraud and maximise security, however there is always a balance between security, ease of use and cost of maintenance.

5.0 How Can Webmerise Help?

Webmerise provides the 21st century equivalent of an Advertising Agency, at Webmerise we have programming, marketing and graphics design specialists to allow Webmerise to take your company from their first steps on the Internet through to a fully fledged E-Commerce trading company.

5.1 Bespoke Services

It is almost required that every company has a presence on the Internet. As a first step most companies place their company brochure on the Internet or create a static site that explains the company's products, services and contact details.

It is a gentle step that costs relatively little, ensures that your company is not overlooked by potential customers and supports other advertising media.

5.1.1 Brochure Website

To enable you to achieve this Webmerise can provide:

- Internet Marketing Support to fully integrate the website into your marketing communications.
- Design a Website that best suits your company
- Provide additional graphics where needed
- Market your site on the Internet and liaise with potential partners.
- Maintain your website and provide technical support

5.1.2 Dynamic Content

Once a static Website has been made, there are a number of common areas that it is useful to update regularly, Webmerise will provide the programming support to allow non-technical personnel to update those areas quickly and easily. Areas of interest include:

- Press Room Making it very easy for journalists to cut and paste articles directly into journals, magazines and newspapers.
- Recruitment area To save on agency fees, provide additional information to candidates and to provide application forms.
- Events To provide customers with information on exhibitions and other events that the company is attending or organising.
- Internal Staff Information Staff Magazines and internal communication
- Product Information Frequently Asked Questions, technical specifications and new product releases.

5.1.3 E-Commerce Consultancy

Before a company can engage in e-commerce, there maybe structural, technological and cultural changes that need to be made to achive a level where E-commerce may begin. Everything must be right first time, otherwise the Internet may be used as a very powerful communications tool to dissuade potential customers from using your e-commerce site.

Webmerise will audit the business and make recommendations as to what needs to be done to create an e-commerce ready business. This can then form the programme to becoming an e-trader.

5.1.4 E-Commerce Implementation

Once the company feels it is ready to start the process towards E-Commerce, Webmerise will provide the assistance to make that a reality:

- Information Flow Management to ensure that information from the Internet is provided to the correct personnel within the company and to ensure that the customer is updated on order progress.
- Web Security To advise you on the methods of securing payment and the appropriate levels of security
- E-Commerce Marketing support
- Provide training for appropriate personnel.
- Maintain the E-Commerce site

5.2 Co-operative Sites

Webmerise's skills in handling larger companies also lends itself to co-operative sites, where a number of companies and organisations club together to buy a larger site. This has a number of advantages:

- Common Information and links can be shared
- A larger site creates a bigger presence on the Internet
- A smaller price for each participant

Geographically based sites have the additional advantage, that local cable companies will be looking to provide content for Digital Television. Webmerise works closely with the cable companies to ensure compatibility with their systems.