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E-Commerce Management Project 2 Report **Development of an E-Commerce Strategy** by Yixuan Ma, Tao Ye

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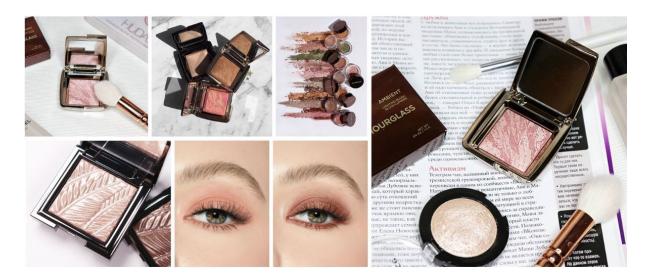
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Introduction

Futurista Beauty is a Montreal-based company offering light-responsive makeup in a sustainable way.

Saying light-responsive makeup, it means cosmetics that give a light appearance when light is sufficient, while they show deeper and more exaggerated when the light is dimmed. They can be worn from day to night without retouching. They meet consumers' everyday and every-occasion need for makeup.

Our collection includes contour, highlighter, blush, and eyeshadow. They are made from plant-based and laboratory-made ingredients to maximize efficiency. It demonstrates a twist of nature and high-technology in a sustainable way.



Part A Strategy Deployed

A.1. Objectives

The general goal of the website is to present our brand and products to consumers and allow them to make purchases online conveniently.

To be more specific, our goals are as follows:

- 1) Convey the brand aesthetic and values to consumers;
- 2) Offer easy access to products and smooth checkout process;
- 3) Offer easy access to online customer service;
- 4) Ensure a smooth user-friendly online shopping experience with fast load time;
- 5) Build customer loyalty;
- 6) Reach online sales of \$50,000 in one year.

To reach these goals, we established the "Shop" feature includes four product categories: Contour, Highlighter, Blush, and Eyeshadow. We uploaded five products. We also created "About Us" introducing our brand, contact information, and other information including General Terms & Conditions, Disclaimer, Privacy Policy, Payment Methods, Shipping & Returns, Customer Support, and Sitemap.

By using the website, we introduce the brand and the products to customers efficiently and conveniently. It will be easier for use to reach customers and easier for customers to shop from us. To improve or add through the website as our brand is further developed, in the future, we will upload more products and add more information in the "About Us" section.

A.2. Integration and articulation

Online Website & Retail Store

To integrate the online website with brick and mortar stores, we will take the following steps:

- 1) Buy online, pick up at the store.
- If customers buy online and pick up at a retail store, the customers will not have to worry about if the product is still available in-store. They can place the order online and directly go pick it up. It saves the time of checking the inventory in-store and lining up to pay. Besides, it will save delivery time and fees. It is quicker and more efficient.
- At the same time, in-store pickup helps to drive traffic to retail stores. Therefore, customers are more likely to find other products that they would like to purchase and make additional purchases.
- 2) Buy online, free in-store exchange and return
- It greatly helps to ease consumers' worry about exchange and return. If they want to return/exchange a product that they bought online, they don't have to go to the post office, fill in the information, ship it back, and wait for a long period to get a refund or an exchange product back.
- Instead, they can simply take the product to a store and get a refund or an exchange right away. It makes the exchange and return process convenient, smooth, and quick.
- At the same time, once the customers come to a retail store, they are likely to find other products that they are interested in and make an additional purchase.

Online Website & Social Networks

The website will also be integrated closely with social networks including Instagram, Facebook, Pinterest, and Youtube. The website link will be featured in the "Bio" or the Portfolio on our account on these social media platforms to generate traffic to the website. At the bottom of the website, the links to our social network pages are featured. It allows us to do more interaction and build further connections with customers.



Part B Transactional Website and the Purchasing Process

B.1. E-commerce Website Structure, Categorization, and Products Offered Website Structure & Categorization

The type of website structure used by Futurista Beauty is the indexed hierarchy structure. We choose to use it because firstly, it offers convenience and efficiency to customers through fast search and navigation. Secondly, this type of structure is relatively easy and friendly for us to develop and manage the website. We can reduce tablespace and we don't need to "access a row in the database from an index structure." [GURU99, 2019] Besides, this structure is frequently used by fashion brands and it is the one that consumers are most familiar with.

On the top of our website, there are six menu buttons: "Shop", "About Us", "Home", "My Account", "Search", and "My Cart". We made it simple like this to follow the minimalistic aesthetic of the brand. At the same time, simplicity will encourage customers to focus more on shopping for our products and explore our company.



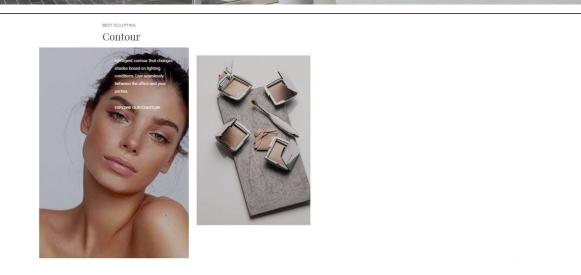
Under "Shop", our cosmetics are categorized into four categories: "Contour", "Blush", "Highlighter", and "Eyeshadow". The name of each category is the name and the keyword of the products within that category. Customers can also click on "View All" to browse all the products we offer. It is straightforward and easy to understand for customers.

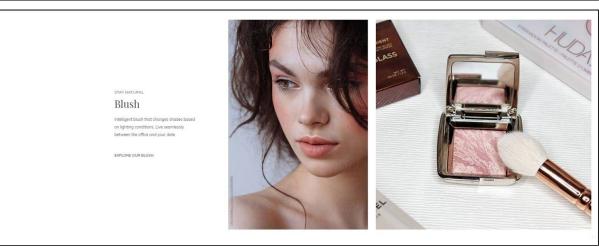
Contour	Blush	Highlighter	Eyeshadow
View All			

We made the categorization minimalistic respecting the characteristics of the target market and the characteristics of our brand. Since they strive to find a balance between their busy work and life, we designed the categorization to be clean and simple, to ease their minds and save time for work and life.

Then, there is the main picture, brand name, mission statement, and two links featuring "Shop" and "Explore Futurista World". Then, there are four sections, "Contour", "Blush", "Highlighter", and "Eyeshadow" introducing our main product categories with brief text introduction and pictures. At the bottom, there is an invitation to sign up for our newsletter, information section, location, contact information, and social networks of our company.

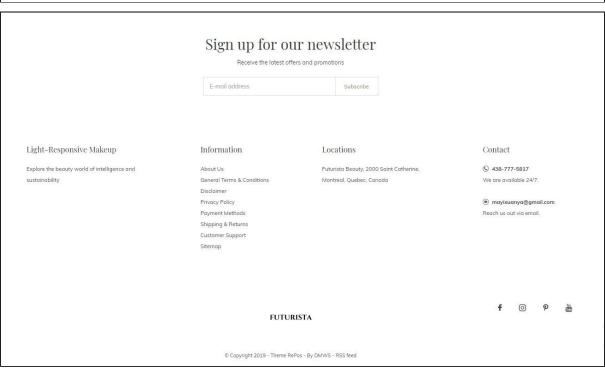












We include the information to present all the types of products that we have on offer and an overview of our company to customers. It's an efficient guide to know our brand and the products. It helps to gradually build interests and awareness with customers.

Typography and Iconographic Elements

The typography and ichnographic elements are minimalistic. They reflect the brand aesthetic which is a mixture of high-tech and nature elements. They also appeal to the target audiences who seek efficiency and minimalism.

- Headings Typography: "Playfair Display"

- Body Text Typography: "Muli"

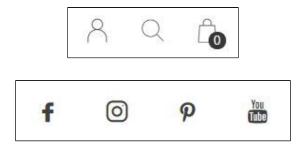
Simple fonts are used to make it easier for consumers to find what they want. Moreover, there are specific descriptions about each product with an exact same length as a point form or a paragraph. It can help the consumer to have clear, accurate, and consistent information when they make purchases.

Blush
Intelligent blush that changes shades based on lighting conditions. Live seamlessly between the office and your date.

Futurista has a minimal wordmark logo. There are a dark version and a light version used on the website.



The icons are clean and minimal. It is easy for customers to understand what each of them stands for and helps to maximize the efficiency of the website.



Costs

According to Lightspeed's recommendation, the monthly e-commerce website plan chosen costs \$139/month. It will cost \$1,668 every year. There is no additional creations fee. The plan permits 5,000 products, 3 user accounts, 3 languages, training sessions, telephone support, blogs, filters, and copyright.

We choose to use this plan because it satisfies all the needs of us as a start-up business and allows space for potential growth. Besides, it supports multiple languages, which allows our customers to browse in English and/or in French in the future.

The constraints of this plan are, firstly, there is a limitation of three user accounts. We are not allowed to create as many accounts as needed. Secondly, this plan doesn't support B2B. Therefore, we can't directly sell to other businesses via our website.

B.2. Product Sheet

Here is the structure of our product sheet. Considering the main features of cosmetic products and our brand identity and aesthetic, we choose the following information to be presented in the product sheet.

Our product sheets look simple, clean and with a minimalistic aesthetic, which corresponds to our brand identity. Like the screenshot below, the product sheet includes the high-quality product images with "zooming in and out function" usually posted in different 3 colors of the products on the left side of the page, which allows customers to see clearly about the colors and texture of the specific product. The texture, colors and the appearance of cases are very important for the cosmetic products. We basically use silver color for the cases of all our products in order to convey the technology-involved concept of our brand.

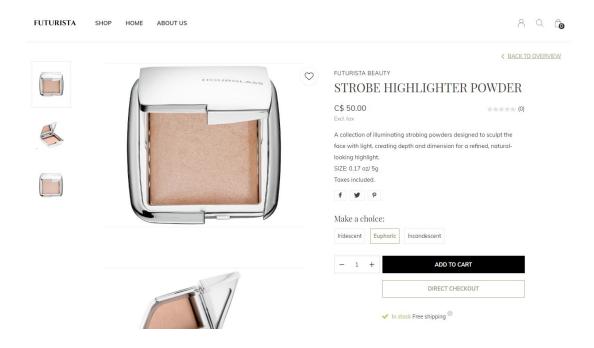
On the right side of the page, there is information about the brand name, the product's name, a brief description of the item, size, price, review and color options. There are links to social media platforms like Facebook, Instagram, Pinterest, and Youtube below the description, which is convenient for clients to share the information of the product or recommend it to their friends quickly. For the differentiation of our products in the cosmetic market, we only offer one small size for all our products. It also includes a quantity option.

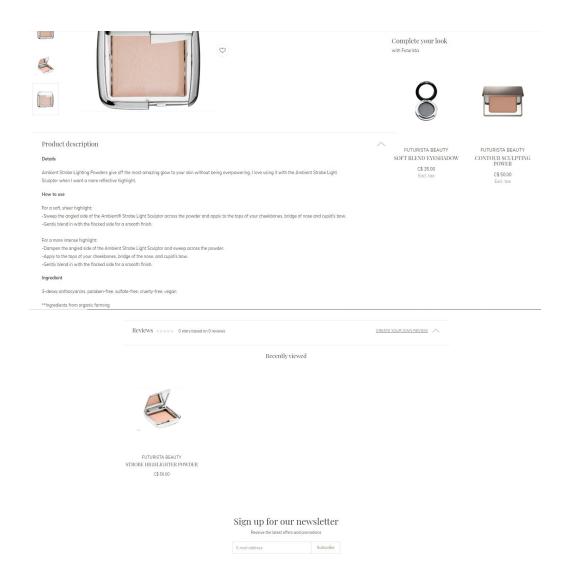
There are "Add to cart" and "Direct checkout" buttons on the page. It shows the inventory information under the "Direct checkout" button. If the number of units is equal to or less than 2, the relevant figures will be displayed in the stock information, such as "only 2 left", which will allow customers to know that the products are about to be sold out and they have to do the purchase quickly if they are really interested in this products.

If we scroll down the page, on the left side, customers can see more content and description of the product, including product details, "how to use" and ingredient information. Especially, we emphasize that our product ingredients are natural, vegan, cruelty-free, paraben-free and sulfate-free, which is one of the big advantages of our products.

In the review section below, consumers can write down their comments and ratings. The review section is also a way to enhance engagement with consumers.

On the right side, there is the cross-selling section - "Complete Your Look". The next section is "Recently viewed", and it shows the items which consumers viewed before the current product, which makes it easy for consumers to make comparisons. At the bottom of the page, it is a reminder for the subscription of our newsletter to consumers.





All of the information mentioned above showcase our products, help customers to know our products better, and help them to make choices that work well for them. The detailed information and high-quality product pictures will make them have trust in the products and gradually build trust with our brand.

B.3. Cross-Selling

For the cross-selling strategies, there is a "Complete Your Look" section at the bottom of every product detail page.

Based on the product page you are currently on, the "Complete your look" section suggests 2 other makeup products to help you complete your beauty look. It promotes not only one product, but the whole beauty look built with multiple products. It offers convenience and efficiency for consumers while selling more products and generating more revenues for Futurista Beauty.



For example, as in the screenshot, if a customers browse the product detail page of a contour, there will be a "Complete your look" section suggesting an eyeshadow and a highlighter that can be worn together with the contour. It makes the choice of products more convenient for consumers and helps the company to increase average basket size.



As another example, as in the screenshot, if a customers browse the product detail page of a highlighter, in the "Complete your look" section, it suggests an eyeshadow and a contour that can be worn together with the highlighter. It allows customers to build the whole makeup look more conveniently and helps the company to increase units per transaction.

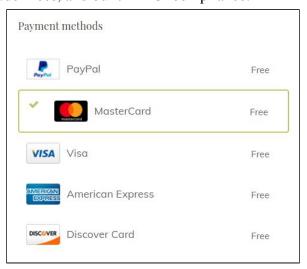
B.4. Payment Options

Considering that our target consumers are mostly with a high level of annual income between \$35,000 – 100,000, with the educational level of a college degree or higher, and belong to the middle or middle-upper class, they should have enough resources and be able to make the payment online in many different methods.

For the convenience of our target customers, we will offer several major and popular options, such as Visa, Mastercard, American Express, Discover Card. Consumers only need to fill in

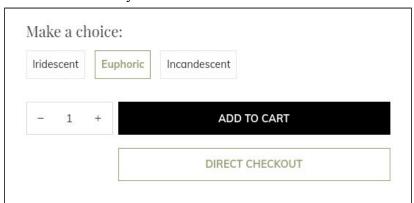
the information of their credit cards (like card number, expiration date, CVC at the back) to complete the payment. We also offer a PayPal option for our consumers who prefer to keep their credit card information privately and enjoy more flexibility.

In terms of cost and agreements needed for the banking solution, it accepts payments quickly and securely with Lightspeed Payments. The online payment rate is "2.6% + 30¢", one service provider, no hidden fees, and built-in PCI compliance.



B.5. Declarative Personalization

With Lightspeed, when customers add a product to cart, they can choose the color of the products. There are usually three colors available and customers can freely choose from them. Since our customers highly care about if the product matches themselves, the choice of color will make sure that each customer chooses the proper color that works best for him/her and increase customer satisfaction. We can collect the data of which colors our customers prefer and use them as a future reference. This can be easily done with LightSpeed, which is the simplest and the most efficient way to do that.



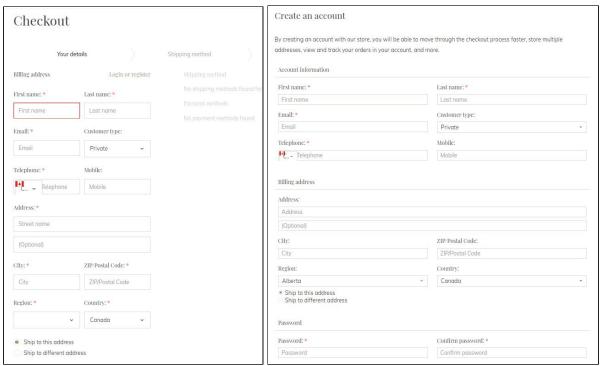
When clients want to make a purchase, we allow them to Direct Checkout as guests directly or log in as an existing customer, or by signing up a new account and check out as a new customer. If a consumer checks out as a guest, he just needs to click "Direct Checkout"

button on product sheet, and he will be led to the checkout page to fill up his name, email, phone number, address, city, postcode, region and country before he chooses the shipping method.

For those who want to register as a new customer, after he clicks "Create an account" button, he will go to another page to fill in the same information as the client who chooses "Direct Checkout".

For the existing customer, after he logs in and finishing picking up the products, he can go directly to the checkout page, and then choose the shipping and payment methods to complete the purchase. Customers will fill up the information of card number, name, CVC, expiry date on the card in order to make the payment.

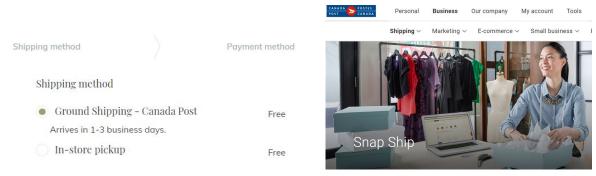
These information are asked for billing and shipping purposes. Since our target audiences are used to technology and online shopping, it will be simple, easy, and quick for them to fill the information in. After customers fill in the information mentioned above, we will be able to collect those data for future reference the support of LightSpeed which is the most user-friendly way to do that.



B.6. Logistics of Delivery

We only faces consumers who live in Montreal at the first beginning, so we only offer delivery service in Montreal currently. Besides, since we are not going for mass production at the beginning, we only prepare limited stocks in our store.

We choose Canada Post to take care of the logistics for some reasons. Canada Post has good reputation any many resources here, and offers Small Business Program for small company like us, which can help us saving time and money on shipping, marketing and e-commerce. For example, Canada Post offers discounts of up to 34% on shipments within Canada for the members of the program, and also offers scheduled and on-demand pickups from our small business for a low flat rate. Canada Post Snap ShipTM is an online shipping tool specially designed to save small businesses time and money. It can prepare and pay for all of our shipments in a single order. Canada Post will pick up our shipments from our business for a flat-fee of \$3.50 or for free if we have selected PriorityTM shipping. Moreover, they can pick up multiple shipments from us at the same time at no extra charge, which is a good policy especially when we have a large number of orders in future.



In terms of the transportation costs charged to the customers, the shipping rates will be applied as following based on different situations: Orders under \$50 = \$9.50 shipping rate; Orders that subtotal (after discounts & promotions) \$50 and over = Free to door delivery; Free ship to store (2-3 business days). In terms of shipping timeline, it takes 1-3 business days for the regular shipments. Besides, fulfillment times may vary relative to order volume. Additional processing time may be required during sale and holiday periods.

For Return Policy, products purchased online may be refunded if they are in original condition with seal unbroken, requested within 21 days from delivery date. For monetary refund, products must be sent back through our e-commerce channels as instructed by our customer service team. For store credit or exchange, products can be returned at brick and mortar store.



The preparation and packaging are very important for the success of our business. A nice packaging can help us to minimize the volume of returns, improve our brand image, and gain

customer loyalty. We are going to use aluminum foil of Alcan as the packaging for our products. First of all, we think it is very creative, and also unique in the cosmetic market. The silver color of the aluminum foil has a sense of high-technology and futurism, and also matches the silver cases of our cosmetic products. Secondly, it is eco-friendly and sustainable, which is corresponding to the value proposition of our brand. Thirdly, Alcan is headquartered in Montreal, and our target consumers also live in Montreal. This correlation can help us to save the packaging costs and make local marketing strategies. Moreover, aluminum foil is light and easy to pack, which can be helpful to pack as quickly and efficiently as possible, in order to achieve a quick delivery for consumers.

Before shipping, Canada Post will be in charge of the preparation, provide us with the shipping sheets and shipping packaging boxes to ensure the safety of products. Futurista Beauty will be in charge of filling the shipping sheets and send a tracking number to customers by email. This will help to make customers feel secure and build trust.

Part C

The Experience Offered - Utilitarian, Hedonic and Social Factors Including SEO

C.1. Utilitarian, Hedonic and Social Values

Our transactional website is devoted to providing a worthy and confident platform to our target consumers through the utilitarian, hedonic and social factors.

We mostly use utilitarian attributes into three aspects: brand and product information, convenience and perceived ease of use. On our home page, we use the structure which many fashion brands use currently and is familiar and convenient with our target consumers. The 6 menu buttons – "Shop", "About Us", "Home", "My Account", "Search" and "My Cart") - on the top are simple, clear and easy for consumers to find the information they need and to use different functions.

The descriptions in the main picture and the following four categories' pictures are very brief and refined, allowing customers to learn about our product lines, the main features and differentiation of our products and our brand value clearly and quickly. If consumers are curious or interested in our products, they can just click on the "shop" button in the main picture to go directly to the product page to check the specific products, or they can click the other button to know more about our brand story and company information. We also offer other more information, such as contact information, location, customer service, delivery & return and so on, at the bottom of the page.

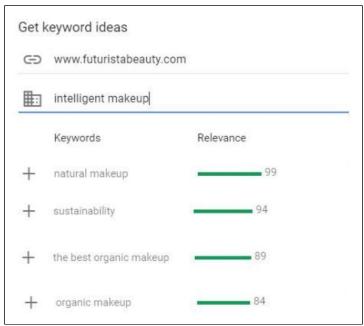
On our product page, we offer essential information and images for cosmetic products. We also emphasize the special information like tax-free, unified size, vegan ingredients, free shipping of our brand. Consumers can shop products they like directly, or put them into the carts, or just simply save them into the wish lists. The "complete this look" section suggests other customized products to help consumers to complete their beauty look, which offers convenience and efficiency for them shopping on our website. Moreover, for the convenience of making the payment, we offer "Direct Checkout" (as guests) to those who don't want to create an account when shopping online, even though it is very easy for them to create their own accounts and save time logging in for the future transactions.

For the hedonic attributes, our website creates a minimalist aesthetic by using relative images, typography and iconographic elements, which can both reflect the concept of our brand as a mixture of high-tech and nature elements and fits our target consumers. Our target audiences prefer to find a balanced lifestyle in their busy work and life, and like something easy, simple, convenient and effective. In this case, simplicity and minimalism aesthetic match their values and help them feel relaxed and pleased during the shopping process, which creates more emotional connection and makes customers more resonate with our brand. These attributes are built on our website with Lightspeed. Fees are all included in the monthly plan and there is no additional fee.

In terms of social factors, we offer links of three social media platforms under the product introduction section. Consumers can share the information of products with other people if they want. Consumers can leave their comments, opinions or recommendations, and rate products on the page. We also enhance more engagement and interaction with our clients through our loyalty program: FB Rewards Program and FB Charity Program, which will be further discussed in Part D.

C.2. SEO Strategy

Based on Google Adwords' suggestions, we plan to use "natural makeup", "sustainability", "the best organic makeup", and "organic makeup" as keywords. They reflect the competitive advantages of our company and will help to generate visibility for our business.



In addition to that, we plan to have "intelligent cosmetics", "sustainable beauty", "Montreal cosmetics" in our keyword list. Therefore, the keywords fully describe the competitive characteristics of our products.

For these keywords, we have a budget of \$25/day, which leads to a \$760 monthly maximum. This is higher than the typical competitor budget range which is \$5-\$20/day.

The keywords mentioned above will also be used on social networks including Instagram, Facebook, Pinterest, and Youtube. It will help to directly improve SMO and generate traffic to our website, which will gradually contribute to optimizing our SEO.

Part D Recommendations to Build Customer Loyalty

Customer Loyalty Strategy 1 FB Rewards Program

Futurista Beauty plans to have an FB Rewards Program. Every dollar customers spent with Futurista Beauty becomes one point in the FB Rewards Program. The customers have the freedom to choose how to use their points. They can redeem the points free mini-size products or for free exclusive in-store one-on-one beauty service.

List of Rewards

150 Points Mini Eyeshadow



200 Points

Mini Contour or Mini Blush or Mini Highlighter or

In-store makeup makeover









700 Points

Exclusive Mini FB Set (mini eyeshadow, mini contour, mini blush, mini highlighter)

In-store personalized makeup design & makeup makeover











FB Rewards Program offers extra value and builds customer loyalty without devaluing the products or cheapening the perceived value of products. By rewarding customers with redeemable points, they are more likely to purchase more and increase the value of orders to get rewards products or services faster. The more they make purchases with Futurista Beauty, the more likely they will stay loyal to us.

Besides, mini-size products make customers explore our other products on offer and build potential interests. The in-store beauty services bring customers into our brick and mortar, build interpersonal connections, and customers might find products that they would like to purchase.

Customer Loyalty Strategy 2 FB Charity Program

Futurista Beauty is a sustainable brand that sincerely cares about the planet and the environment. Our target audiences are people who care about environmental issues and sustainability. Therefore, on every order placed by customers, we will donate 2% of the revenue to protect the eco-environment where our natural ingredients are sourced. Futurista Beauty takes responsible steps together with customers to protect the world.

Additional to that, once a customer has spent \$200 or more with us in total, Futurista Beauty plants a tree in his/her name where the natural ingredients are sourced. The more a customer spends with us, the more trees are planted. A customer may even have his/her own forest with Futurista Beauty in his/her name.

For our target audiences, the charity is even more valuable than ordinary rewards and it works even more efficiently. The charity program makes customers feel that the brand share the same value. It helps to strengthen the connection and relationship with customers at a deeper level. Once the customers strongly agree with the value and see it aligned with theirs, they stay loyal to our company.





Link of Futurista Beauty Website

http://futurista-beauty.shoplightspeed.com/

Please use the following information to log in to browse the website:

Username: mayixuanya@gmail.com

Password: aiheihua411

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