BUSINESS STRATEGY

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Transmittal letter

I hereby submit the proposal regarding the research in the importance of business strategy on a business. The report has adequately covered the pre-outlined guidelines and the expectations and I hope it will have satisfactory results to the audience. I also highlighted insightful recommendations which I felt would rejuvenate a business ailing of disorganization due to lack of effective business strategy.

Executive summary

It's important for every business to employ an effective and realistic business plan for sustainable growth and operational milestone. A business plan is an integral constituent and catalyst for the success of the business. Having a compressive knowledge on the needs of the customers help the business to provide the most appropriate product that will fetch the maximum profit. Meeting the needs of the customers and offering satisfactory services to the customers make the business competitive among other providers. In addition, learning and analyzing the behaviors and pattern demonstrated by the customers enable the business to venture on improving their area on weakness.

Introduction

The business strategy comprises of one the essential component before laying out and starting the actual business. Business plan conveys the required organization structure of the expected business as well portraying the various duties that will be designated to various individual Business plan also create a rapport where the management can regularly cross-check to evaluate if the business is still course towards the set objectives. A business plan is also used a bar to the prospected sales target as well as the operational milestones of the business.

Business strategy

An ideal business strategy that would be appropriate and effective in the context of online business would be differentiation. For the purposes of establishing a successful new brand, it is significantly important to have an accurate and a comprehensive understanding on the means of gaining competitive advantage in the prevailing market (Zhang, 2013). Differentiation as an effective online strategy greatly creates a variety of opportunities especially to the new product and consequently disrupts the prevailing incumbent businesses. This ultimately assistant in minimizing or rather put a stable defense against all sorts of onslaught competition in the market (Baker, 2014).Differentiation essentially emphasizes and stress on the unique future in the product that ultimately makes it look superior contrast to others towards the impressions of the customers.

The adoption of differentiation strategy on the online business platform if laid down effectively can harvest substantial profits. In facts, if dedifferentiation strategy is employed in business, the company could easily charge considerable premiums in regards to its products and services. This could be easily achieved because of the confidentiality associated with the business resulted from highly developed and admirable corporate identity. Moreover, employing this strategy could assist the business in transferring the customer cost to the prevailing suppliers due to the lack of tangible substitutes in the market (Zhang, 2013). This initiative enhances customer's loyalty which is instrumental in stabilizing the firm's revenue and relieving effects of market downturns.

Differentiation strategy play an integral role in improving and establishing the value of the products once adopted in the online business. Essentially differentiation critically focuses on manipulating the cost value of the product for the maximum benefits to the business. It establishes a cordially perceived value among the potential customers through precise highlight

of the cost saving and their durability compared to the other products in the market. By improving the quality of the product, the business creates an impression of a market devoid of competitors (Baker, 2014). Although technically competitors may be present offering similar products, the business wins the prevailing competitive advantage in the market due to the impression created by the products being unique than others.

In regards to differentiation, the level of competition is significantly high in the online platform. To outwit the competitions, the strategy will, therefore, be employed effectively to lure and attract customers. An ideal product that would fit this strategy is electric gadgets. This incorporates electronic devices like phones, laptops, televisions and tablets where the customers can Oder, and the products get delivered to them. The products will include all the celebrated electronic manufacturers to meet the diverse preferences and expectations of the customers. Services mainly in this online platform could encompass servicing and installing devices.

Some of the distinct, unique value that the customers may expect from the business includes quality brand, affordable price and wide provision of multiple brands for customers to choose (Baker, 2014). Besides, delivering the product to the customer's doorstep characteristics some of the distinguishing processes the firm would initiate. Regarding personalization, the firm would establish a platform from where the business can engage constructively with the customers on the online platform and respond to various issues (Traver, 2016). The subsequent interactions between the customer and the business would build the reputation of the business, and the consequent growth would be inevitable.

Components of e-commerce

The value proposition is crucial for the sustenance of the business and comprises the epicenter component of the business model. The sole and main purpose in the context of

initiating electronic sales and services through online outlets is to fulfill and satisfy the need and the expectation of the customers. One of the significance attributes of conducting business in the online platform, is the customer convenient associated with it (Barnes, 2009). By offering a variety of electronics on the website, customers will have ample time to scrutinize the products before making any informed decision on the product of their choice. With the global increase in internet connectivity, a large number of customers can access the internet and view the products on sales from the comfort of their coach (Osterwalder, 2014). This strategy will relieve the customers the trouble of traveling searching for the desired product. Also, the doorstep delivery mechanism will save the customers a great deal of cost making them loyal to the business.

Incorporating effective and reduced transaction channels as well as minimizing the product search cost will significantly satisfy the customers in this business setting. Prioritizing and exhausting all means of providing satisfactory needs to the customer will be the driving for of the business (Osterwalder, 2014). For instance, the constant interrelation between the business and the customers will help the business in meeting the need of the customers. Besides laying easy ground where people can pay for the product through online accompanied by the reduced prices of the products will make the customers embrace the product the business will be offering (Chatterjee, 2015). Saving the customers the agony tedious searching of the product and instead availing the desire in the mode they desire will assist in containing the customer and feeling the value of the product.

In regards to the revenue model, the ultimate purpose of the business is to generate revenue and harvest maximum profits. In this business, there exist various ways in which the business can exploit to make profits. Firstly, through the sale of the products and offering of the services to the prospected customers the business will generate a lot of profit which ultimately

will increase the investment capitals returns of the business (Traver, 2016). Bearing in mind the business is based on the online platform, the like hood of targeting more people is high, and thus the expected profit is substantially attractive. High profit translates to more revenue and the resultant increase in the investment (Swan & Edward, 2015).

The advertising charges will also play a crucial role in supplementing the resultant profit for the business. Considering that the firm is dealing with multiple manufacturers publicizing their product, the rate of the returns is significantly high. All the content that is advertised on the website owned by the business is subjected to specified charges which constitute the important source of the revenue to the business (Traver, 2016). More ever apart from the charges that are placed on the products the customers have purchased there is always delivery charges which the firm incurs. Delivery charges are relatively high, and they comprise another vital component where the business gain some profit. Also, the business buys from the suppliers in large scale at lower prices and ending up selling to the retailer at their proposed price making the business profitable and expansion of the investment.

In regards to competitive advantage, there will be success through providing variety and quality of the product, better delivery system and attractive prices to the products. Providing the customers with variety and unique product to the customers will change the market dynamics. More customers will be attracted to business platform that avails diverse product where customers have the wide perception of choice (Hatch & Nile, 2015). Also encompassing different types of the brand from different manufacturers will facilities the customers on landing the desired product with ease (Pattinson, 2011). Moreover, the online product often attracts fair prices compared to physical stores. Potential customers will, therefore, choose to purchase their

brand in this business rather that going for it elsewhere where price have been inflated. Air prices are a significance incentive capable of changing the trend in markets (Hatch & Nile, 2015).

Simplifying the modes of people in searching for the product as well as making the delivery system more convenient is a vital component of the competitive advantage which can change the trend of the market (Pattinson, 2011). Considering that a large number of customers can access the website and look for their preferred product simultaneously, customers who previously conducted the physical search for the product will obviously change their mode. With the internet connection, customers will be able to view and evaluate the variety of productive making at have a competitive advantage than the rest of the market (Traver, 2016). The accompanied admirable delivery system which is made to customer doorstep will change the market aspect. Unlike another purchasing mode where the customers have to physically buy the product, this business will ensure that customers get their choice product in their geographical area.

Organization development is crucial for the flourish and accomplishments of the objective set by the business. Considering the setting of the discussed business is new in the market there are distinct types of organizational development that useful constituent for the success of the business (Pattinson, 2011). Having a competitive and highly trained workforce especially in the marketing characterizes some of the important initiatives in the business. However, these can only be arrived at by establishing a conclusive hiring or rather recruitment process to peak the individual with vast knowledge and professional skill in the business (Traver, 2016). This will ensure that the person mandate to run the business command sufficient skill in regards to planning, organizing and coordinating the business to the overall success.

Another important arrangement as far as organizational development is the concern is conducting well thought out and effective job specialization. Although the recruited work form may meet the threshold of the skills required on the job, further job specialization is highly important. It was extremely wise and important to place a person in the role that is best suited for them for maximum and desired output (Hershey, 2013. Specialization ensures the designation of duties by the people entrusted with the given role is satisfactory and reduces the mistake that my come from incompetence. By specializing every individual in their best-suited role and harmonizing the entire system, the workflow in the organization become more efficient and productive.

Click stream behavior

Clickstream behaviors data among the customers in the online platform are essential and can influence the decision of the marketer in some ways. Detailed and more comprehensible click stream behavior data from the customer segmentation ultimately makes market focus and more effective (Nantel, 2005). Through critical analyzing land evaluation, a marker can identify the trend and the variation of the of the customer behavior and establishes on the mechanism that can in employed to reduce the disparities on online non-buyer (Wilson & Wang, 2013). These data provide the market with the insight of determining the weakness of the business and work smart on attempting to identify the loopholes that would be a discouraging customer from purchasing the products.

Clickstream behaviors also act a vital component where the marketer can initiate a more personalized customer's services as well as featuring cross-selling opportunities. Dealing with a large number of customers in the online sphere requires overcoming many hindrances (Nantel,

2005). The model data presented by these behaviors should be interpreted accurately by the marketer in the bid to have a comprehensive knowledge of the customer (Wilson & Wang, 2013). Clickstream behaviors are important in enabling the marketer to predict the subsequent behaviors of the customers. Through the analysis of the present data, the marketer can be able to predict the future behavior of the customer and provide a contingency plan for the business. With prior knowledge about the customer behavior, the marketer gains a stable ground in making the necessary marketing strategies to counter and minimize chance where the customer would buy the products.

Clickstream behaviors also help the matter realize the various reasons why people go online. Clickstream behaviors data also help the marketer in identifying what pages the customers concentrate more (McCullough, 2015). Also, it provides information regarding products which are placed or even removed in the in the shopping as well as showing the product that has been purchased in the online.

By demonstrating patterns characterized by the combination of various active that over on the website, marketers can be able to identify the diverse behavior of the customer in the website and evaluate the effectiveness of the site regarding facilitating more sales (McCullough, 2015). This analysis also helps the marketers on figuring the most appropriate combination of the product that can be attractive to the customer for ultimate purchase. Using the information the marketer can create a plan for the prospected discount to increase the sales of the product to the customers.

The data from clickstream behaviors of the customers can enable the marketer to allocate the necessary recourses for the ultimatum optimization (Nantel, 2005). By the variation of the customer behaviors, recourses necessary at a given point of weakness can be provided to

enhance and improve customers experiences (Jinfei, 2015. The behaviors demonstrated by diverse customers help the matter to analyze through clustering similar behaviors together and comparing them across different groups. This significantly helps in comparison of the suburban and metropolitan customers shopping habits.

Recommendation

To remain relevant and competitive in the market an online business should adopt the various strategies. First, the business should strive to be unique through providing the product that exceedingly satisfies the needs of the customers. It is also important for the business to have a progressive and a working strategy to have a consistent grip of the customer while at the same time drawing more potential customer. Moreover, exploiting and exploring on the most effective way of implementing the discussed component of e-commerce has an appealing effect to the business. Analyzing the information data demonstrated by the customer through click stream is a fundamental aspect of the progress of the business. The response from the customer has a paramount role in influencing on the strategy the marketer can choose employer to increase the sales. The success of the business requires finest people and therefore embracing bright mind will be important for the business.

Conclusion

In conclusion, business strategy is essential in guiding and helping the marketer to come up with a framework that will facilitate the eventual success of the business. It also helps the marketer in having the prior knowledge of the future challenges and how the business can navigate effectively during turbulence times. Moreover, the ultimate objective of the business is to make the profit and expand their investment while at the same time providing extemporary

services and product to the customers. The strategy has also future the importance of the variation of the customer's behaviors which have imminent influence in decisions made by the marketers. Consideration and responding to customers behaviors positively is vital for the purposes of creating a desirable impression and the ultimate increase in the sales.

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