

Electronic Business System: EE3079

Jagmohan Singh Dhindsa, Parminder Hayer, Kirandeep Johal, Natasha Jheer,
Jasleen Arora and Gurpreet Lotay



www.fashion-bid.co.uk

Report Responsibility

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History and Development	Kirandeep Johal
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Introduction

Fashion-bid is an online auction, selling fashion clothing that is designed by upcoming designers. This also acts as an online platform for upcoming designers to gain recognition for their clothes range or fashion label. Our research showed us that it was difficult for fashion students to break straight into today's competitive market. This was mainly due to the lack of resources to setup a boutique of their own. Fashion-bid will fulfil this gap in the e-auction business market providing designers an option to setup an online boutique at an affordable price.

The way in which fashion bid will operate is by auctioning off items from designers giving the audience the opportunity to value each item as they feel it is worth. The clothing range that we are planning on offering is a compilation of women's clothing, from dresses to knitwear.

The auction is similar to eBay where the users will enter a maximum price and have a set time to purchase the item. From this, Fashion Bid will take a commission. The advantageous features of our business, is that the sales made will reflect the revenue of the company, so we will have measures and sales techniques that will influence a purchase from our audience. Meaning that it is in our best interest for the company to do well, if the company does well the auctioneer's will be gaining revenue and most importantly they will be gaining recognition.

Fashion bid will provide the facilities to make transactions safe and to ensure each transaction is complied with the fashion bid terms and conditions, and that users are made aware that our strict purchase guidelines are adhered to.

History and Development

It was essential we came up with an informed business choice; therefore we carried out background research to gain a good understanding of what was already available in the market. The main reasoning for our e-business choice:

- “According to Verdict Research the UK online consumer spend in the clothes & accessories category grew from £2.7bn in 2009 to £3.3bn in 2010 (= 22% growth). UK online clothes spend in 2014 is projected to be £5.8bn (= 76% growth)”. These statistics reflect the rapid growth in the industry and show it would be a profitable sector to enter for the coming years.
- The retail market is competitive and therefore we created an analysis on similar businesses to find what aspects we could develop. Our main business model is similar to that of e-bay as this is an e-auction. However we differ from eBay as Fashion-bid gives more significance to the seller or fashion label rather than just portraying them as an anonymous user.

Although some individuals creating a one-off sale may not find this a problem, upcoming designers wanted to create recognition for themselves, as most freelance work was only available to established designers or experts. As most of the designers enter the fashion industry, the lack of funds means they cannot setup an online business or boutique to reach the market directly. Fashion-bid will connect buyers and sellers in a safe environment. ASOS marketplace is one of our competitors where they allow designers to achieve a similar set-up; however they are missing a whole market by limiting the clothing range to ‘Vintage’.

- The Fashion industry is constantly changing with women always in search for something new and different to wear. The E-bidding business model shortens the purchasing process and is also fast at the same time. This real time updating means that women will be able to view a constant change in stock. We also wanted to give the designers more control over their sale and the bidding process will allow them to monitor and compare the different bids. We found that allowing consumers to purchase and trade from home will bring an extended number of commercial opportunities via the Internet.

As we identified these gaps in their business model we made the feature of setting up a virtual boutique and giving designers more recognition as well as control our unique selling point, allowing our business to stand apart from other bidding and retail websites.

History of similar business

As our business model is most similar to that of eBay, I will look into the history and development of the business.

eBay is an online auction as well as online shopping platform for people and businesses to buy and sell goods. eBay was founded in September 1995 by computer programmer Pierre Omidyar in San Jose, California. It began in Pierre's living room as a small business to one of the top earning websites on the Internet. In 2010 figures showed eBay generated revenue of \$9.156 billion and had 17,700 employees. eBay is mainly a consumer-to-consumer corporation that is available to people worldwide. The users are significant in the business model as they drive the success of the business.

The main aims of eBay include:

- "World's Online Marketplace."
- "Connecting buyers and sellers globally."
- "What ever it is, you can get it on eBay."

eBay began in 1995 as an online garage sale mainly auctioning collectibles. It began with the name of Auction Web and was hosted on the same server as Pierre's page about ebola virus. One of the first sales on eBay included a broken laser pointer with Pierre astounded that a customer actually bought this item. The original name was Echo bay technology and this was later shortened to eBay when the domain was unavailable.

As the company grew larger Jeffrey Skoll from Stanford was hired to join the company in 1996. "In November 1996, eBay entered into its first third-party licensing deal, with a company called Electronic Travel Auction to use Smart Market Technology to sell plane tickets and other travel products." The site had a significant jump in 1997 as it went on to host 2,000,000 auctions as compared to 250,000 in 1996. eBay received \$6.7m from Benchmark capital in 1997.

Meg Whitman from Harvard Business School later followed him in 1998, into the company as CEO and president. eBay continued to grow rapidly under her leadership as she decided to branch out into every market rather than just collectibles. She created an emphasis on the idea of connecting people, as opposed to just buying and selling goods.

In 1998 the company went public and made its founders millionaires with over half a million users. The share price of eBay went to \$53.50 on the first day of trading exceeding expectations. The success of eBay continued to increase as it went on to buy iBazar (auction web site) and PayPal in 2002. The company had millions of users as it expanded its availability worldwide. "In late 2009, eBay sold Skype for \$2.75bn, but retained a 30pc stake." The company was later sued for \$3.8 billion in 2010 for implementing features from XPRT into its payment system PayPal.

Development

eBay needed to analyse its seller and customer relationship so that the liaison from product to delivery runs smoothly. There was a loophole in the system allowing sellers and buyers to commit frauds. The type of frauds that could be committed by the seller includes “receiving payment and not shipping merchandise;”, “Shipping at a slower service than paid for”. The company decided to introduce a series of features in order to help improve efficiency of the auction and one of this included the ‘feedback system’.

The ‘feedback system’ allowed the user to take up their dispute with eBay if they feel that they have not had a fair experience and in turn if that user had a large number of complaints against them, they would be suspended from the system. In addition to this the users are allowed to rate or comment each other once buying/selling goods. This gives other users a rough idea on the track record that particular user has. The categories included:

- Item as described
- Communication
- Shipping time
- Shipping and handling charges

In 2006 eBay branched out from collectibles, appliances etc. to the Business and Industrial category. This allowed businesses to list their products on the website, providing them the options for a competitive auction and fixed price. As well as this software developers were allowed to develop applications through eBay API to support the company. eBay went on to providing its users with three types of auctions in order to give its users more flexibility. These included:

- **Auction-style listings**- “allow the seller to offer one or more items for sale for a specified number of days”
- **Fixed price format**- “allows the seller to offer one or more items for sale at a *Buy It Now* price. Buyers who agree to pay that price win the auction immediately without submitting a bid.”
- **Fixed price format with best offer**- “allows the seller to accept best offers. If a buyer submits a best offer, the seller either rejects or accepts the best offer. If the best offer is not satisfactory, a seller may submit a counter offer to the buyer.”

eBay begun by introducing the acceptance of PayPal payments only in the Video Games and Health and beauty categories. In 2008 they broadened the categories that require the PayPal payment method, which then lead them to announce that all sellers with fewer than 100 feedbacks must offer PayPal in the UK and Australia. This requirement was later removed from Australia as consumers showed concerns. eBay encourages sellers to become verified by PayPal as it allows features such as “increasing their credibility with other buyers and sellers on eBay” and “raising their sending and withdrawal limits on PayPal”.

Analysis of the Business Model

What is E-Auction-

E-Auction is an electronic mechanical online business model that will be used by Fashion Bid to sell the services and products of up and coming fashion designers. The Main feature of the website is Electronic auction; this allows on-line auctions where selected bidders submit offers electronically against other bidders for specific products.

All communication following and including the invitation to pre-qualified bidders to submit new prices or values must be electronic. This can be used for goods works and services. Other quality aspects are assessed prior to the auction stage.

How Fashion Bid will use E-Auction-

Fashion Bid will use the E-Auction method by offering space on the website for up and coming fashions designers to express and share their skills of clothing design. Each Designer will send Fashion Bid the clothing they have designed and wish to sell on the website. Fashion Bid will upload images of each product on the website which will be available for the target demographic to search and Bid. Fashion Bid will make money based on commission, so every item which is sold through the auctions, Fashion Bid will take a 15% cut out of the overall price. For Example:

Price of jeans: £25 (15% of £25 = £3.75)

Interactivity & B2C & C2C

Fashion Bid provides the venue for designers to sell their clothing and Business to customer and customer to customer relationships to improve. The model of E-auctions will allow the user to have interactivity in many different ways. The user will be allowed not only to search for the products or look at the specifications of the clothing, but Fashion Bid allows the user to get in touch with the actual designer of the product. This is where the customer can ask questions about the item of clothing they have a query about, and then the designer can reply back with the answer as soon as possible. This will allow the user to feel more engaged and a part of the website rather than other E-Auction sites which only allow users to browse and Bid for products. This will build strong Business to Customer relations and will not be time consuming because they will receive instant answers.

The customer may feel there is a risk of their identity or credit card details being stolen or exposed after they have made the payment for the product they have bided for. Fashion Bid will need to take into consideration the 'Data Protection Act 1998', under this legislation it makes it illegal for Fashion Bid to pass on identity details from the customer's name and address to credit card details to other firms or organisations. Therefore Fashion Bid will need to make sure that the Data which is provided by the customer is kept secure and safe at all times.

The interactive feature of the customer and designer communicating online gives fashion bid a competitive edge over our closest competitors who also use the E-Auction business model. This allows Fashion Bid and the Designer to keep track of their customer's preferences and can realise mass customisation.

Bidding Facilities-

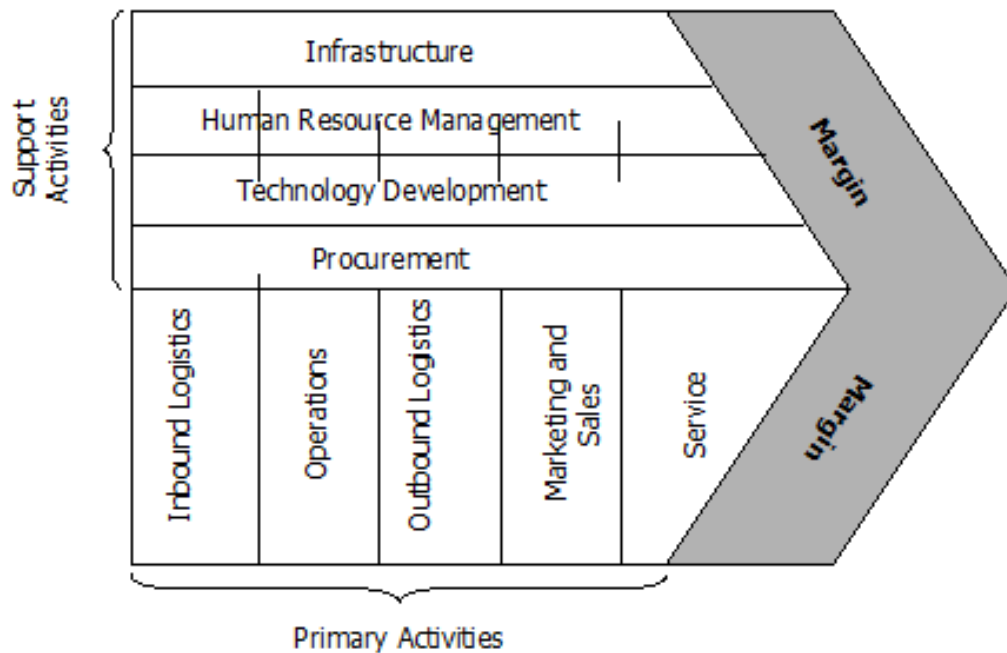
E-Auction will allow the target market to utilise the facilities of Fashion Bid online by browsing and then bidding on a product they wish to purchase. The website has clear navigation for the user to access the browsing and bidding facilities which are available to them. The bidding facilities will only be available in the boutique section, where a starting fixed price which the designer has decided will be shown. Then each bidder will be bidding, and the current price that the previous bidder has bided will be visible to everyone to show how much the bidding has gone up to. Also a countdown clock will be visible to show each bidder how much time they have left to bid for the product.

Target Market-

The target demographic that Fashion Bid will appeal to will be only Female Adults, the use of E-Auction will make it a fast, effective and efficient service by the customers simply searching for the product they wish to purchase and then select the size and begin bidding against other bidders. Fashion Bid will look to target a wide range of female adults as the designers will be selling smart/casual Dresses, Jeans, Knitwear, Tops, Jackets, Coats and Shoes. In order to attract and maintain large audience the clothes will need to be constantly updated due to seasonal changes and the website will need to remain consistent as this play a crucial factor in online shopping. The website will have to appeal and specific features and software will need to be constantly updated in order to keep the website and E-Auction running smoothly and which satisfies the customer.

Value Chain Analysis of the Business Model

The concept of Value Chain Analysis originated from Michael Porters book, 'The Competitive Advantage' in 1985. Value Chain Analysis consists of the activities that take place within a company that collectively adds overall value to the company. Such activities are to be run at optimum levels if any competitive advantage is to be gained.



From Porters Model, it is evident to see that the organization is split into two different categories; 'primary activities' and 'support activities'. The many activities of an e-auction business model are as follows;

Primary Activities

- *Inbound logistics*- Goods will be obtained directly from the supplier to the customer.
- *Operations*- Goods and services will be created, produced and carried out by the sellers.
- *Outbound Logistics*- Goods will be distributed from the sellers to the customers.
- *Marketing & Sales*- For existing customers, newsletters, emails, and blogs will be a useful and effective technique to maintain a loyal market. For external customers and designers, advertisements on other web sites and word of mouth.
- *Service*- Help and advice will be available to those who seek extra help or have any queries.

Support Activities

- *Procurement*- purchase equipment and stationary to run the back end of the business.
- *Human Resource Management*- A team that consists of members that will be able to take care and solve of any queries that may arise to do with the company
- *Technology Development*- Handle information and to confirm identity.
- *Firm Infrastructure*- Legal issues and claiming money

The activities stated above all work together to create a working chain analysis. Being an e-auction business, products and goods are kept and stored with the sellers. In addition, goods are created and produced by the sellers themselves. The product can be brand new or second hand, however, if second hand, this must be stated in the description alongside any faults with the products (such as scratches, tears etc). Similarly, all products and items of clothing will be designed and created by the designers themselves in addition to storing the product up to standard.

All products are stored and remain with the sellers, therefore, are posted to the customer directly from the seller. This is to ensure they have full responsibility for their products. In addition, it decreases the possibilities and risks of the item being damaged or getting lost in the post. This transaction adds value to the customer, as they will receive their package faster as opposed to having the designer posting the item to the company and then going to the customer from the warehouse of the company to the customer. It also reduces the postage and packaging costs, as the product will only have to be posted and packaged once. This also adds value to the seller, as the company is putting trust in their service and product(s). They are also able to accept or decline refunds (as long as this is stated before the item is purchased), which gives them the kind of control they would have if they were running their own shop. Similarly, if any item received would be faulty, they would deal with it on a first hand basis. If sellers refuse to negotiate a reasonable refund, the company can interfere and carry out appropriate actions to settle the situation. If customers are dissatisfied with the service they have received from the designer, they are able to state this in the blog in addition to rating the designer for their performance. The designer's ratings will be visible on their profile page for browsing customers to see. If the designer receives too much negative feedback, Fashion Bid will suspend their account.

There are different kinds of employees for the company to manage and handle different kinds of queries. For example, if customers/sellers experience any technical difficulties, they are able to contact the technical department, who will then be able to resolve any outstanding issues. There is a team for each department, so any kind of query can be seen to as quickly as possible. This adds value to the process as problems customers/sellers experience can be taken care of without delay. If delay was to occur, sellers could miss out on potential sales and customers could miss out on potential products.

For external customers, e-auction websites can use almost any method of advertisement. For example, companies are able to advertise on television, popular websites, magazines

and newspapers. Once the company has established itself in the marketplace, they will partly be able to rely on viral methods such as word of mouth. This will add value to the company as recommendations are always reliable and indicate that one had a positive experience with the company.

In order to keep up with procurement, the company would need to purchase stationary and equipment to run the back end of the website in order to maintain a regulating service. As the company would be purchasing in bulk in order to run an office, it would be important to purchase goods of the highest quality for the lowest price. This is important to save as much money as possible, whilst getting the best equipment to maintain high quality service.

The technology used for safety precautions for e-auction websites are extremely necessary. No matter what payment method is used (credit card, PayPal etc), it allows the company to securely handle information and confirm identity. Advanced secure technology will enhance customers to trust the business. As Fashion Bid is new and developing, people may be reluctant to trust a new company as opposed to one that may have been around for longer.

An infrastructure firm is put into place when there is a breach of policy concerned with using personal information of customers without their consent. In addition, if customers/sellers refuse to cooperate with terms and conditions they have accepted whilst creating an account, the business has full authority to take legal action against the individual. Similarly, Fashion Bid has a zero tolerance policy against violation of privacy and breach of contract. If designers post a product on their boutique and fail to send the product to the winning bid, Fashion Bid will interfere with the process and if need be, take appropriate action.

E-Processes

It is vital that as an upcoming business we at Fashion-Bid are able to differentiate ourselves from our competitors. We understand that having an e-commerce website which benefits from excellent design, ease of navigation and other features associated with e-commerce websites is simply not enough to make the business a success. The strategy which lies behind making sure that a business is successful is the relationship between the business and customers, formerly known as B2C. In order to turn our online web presence into a successful business, we have designed a number of E-processes. These processes transform our business's operations and economics.

Before setting out our processes it was important for us to plan, coordinate and comprehend the stages which will be involved during the setting up of this business. To do this appropriately, we have categorised our processes into the following categories:

Software Interface

➤ Account Registration

Customers are able to register and make an online account which is individualised to every customer. Through this account, every user is able to handle their own account details, update their details as/when required, interact with information which is meaningful to them, able to store/send messages to their desired designer(s) and have immediate access to any services they may require, tracking their orders and reporting any problems they may have come across. This is to provide an experience for the customer and make sure that they have access to information important to them at any given time.

➤ Monthly Newsletters

Another strategy included is our monthly newsletters which will contain information which may be relevant to our users. Customers have the option to opt in into this service and may unsubscribe at any given time. The monthly newsletter will contain information on the latest offers and items that have been added onto Fashion-Bid and keep them up-to-date with any relevant information.

Other Strategies

➤ Selling on Fashion-Bid – an advantage for sellers

To outstand from other businesses similar to Fashion-Bid, every emerging designer who wishes to sell his/her items through Fashion-Bid will be able to list their item on our website for free. Once the item(s) the buyer had listed are sold, Fashion-Bid then receives 15% of commission fee for every item that was sold. In the case of an item not selling, we will not charge the seller for listing their item. The reason that lies behind listing items without a charge is to generate traffic for the business by attracting upcoming designers and enhancing our online presence on the web.

➤ Policy for sellers

The products being bought are dispatched by the seller, in order to make sure that this is done effectively; we have a policy that the items (once bought and paid for) will have to be dispatched by the seller within 2 working days to ensure that the buyer receives their item as soon as possible. In the case where the item cannot be dispatched within 2 working days, the seller must list this fact on the products page to make the buyer is aware of this before committing to purchase their chosen product.

Out-Tasking processes

➤ PayPal and other payment methods

There is no specific task which we at Fashion-bid will be out-tasking for our business. Although payment methods are not an out-tasking process, the service it does is still carried out by an organisation other than Fashion-bid, for example a bank which is contacted upon a transaction. As well as accepting the payment method of users willing to pay via their credit/debit cards, Fashion-bid will also allow the users to use PayPal as a payment method. PayPal is a secure online payment method, which allows an individual to pay or get paid quickly and easily without having to share any of their financial information. When shopping through Fashion-Bid, all customers will be asked to use PayPal to process all their transactions. Once the customer has successfully bid on an item, the buyer is then able to pay the seller via their PayPal account which will carry out the transaction between the seller and the buyer for the amount they've paid for the item and additional delivery costs.

New electronic capabilities

Another step to providing access to services for our customers would be the use of feedback systems and online discussion groups.

➤ Feedback/ratings

Before purchasing an item, the buyer is able to browse the seller's profile which includes details about the seller and the feedback given to the seller by other buyers. So essentially, this provides a communication medium for buyers to see what other buyers think about the seller/designer and the feedback they give for the service that the seller/designer provided at the time of his/her previous sales.

In order to keep their feedback record worthy, every seller/designer will be made to provide an excellent experience for every buyer to ensure that regular business is made as well as positive feedback is given so other potential buyers feel safe when buying from the chosen seller/designer.

➤ Discussion Groups

Discussion groups otherwise known as online forums will also be accessible on Fashion-Bid. These groups will allow buyers to communicate with other buyers about their experience whilst shopping at Fashion-Bid and discuss items being listed on Fashion-Bid, their interest in certain types of products and even discuss any difficulties they may be having with a service to find a possible solution. The advantage for a seller here is the ability to see what the sellers' are demanding in terms of products, this will give the sellers (designers) the opportunity to create items based on buyer's need and demands if they wish to.

Recovery and Error Handling

To make sure that when things do not meet the customer's needs or an unexpected problem/error occurs, as a business we must have an exceptional response service to make sure that our customers get the help they need as soon as possible. To ensure we are able to provide this we have carried out the following:

➤ Disputes and buyer protection

A dispute occurs when a buyer and a seller cannot resolve a problem with a purchase directly between themselves. If this ever occurs, It is the responsibility of Fashion-bid to solve this issue. Fashion-bid will manage the solving of disputes and review the case by looking at the Terms and Conditions that the buyer/seller agreed to before purchasing/listing an item and on the basis of that, decide whether the customer is eligible for a refund. This service will prove to be extremely beneficial to our customers as Fashion-bid will act as a form of buyer protection guide for buyers where the buyer will have protection against any incorrect actions that may take place.

➤ Contact Form and FAQ

In the event where a customer or a seller/designer has a problem or come across an error, we have provided a number of ways through which our customers are able to contact us. The easiest and quickest way would be to contact us via an online contact form where the user will be able to send us the enquiry. We have a policy to get back to our users within 24 hours. Other options include phoning us during working hours or alternatively, finding answers to some common questions in our frequently asked questions guide listed on the website.

E-processes of an existing similar business – eBay

In order to understand how Fashion-bid's main competitor, eBay operates their business it was valuable for Fashion-bid to analyse the E-processes that eBay have undertaken. eBay have developed a very upright software interface which allows their customers to do a number of tasks. These range from being able to leave feedback for other users, reviewing the sales the seller has made, keeping account of order history, buyers can add their favourite sellers to their favourites list, watch an item, manage their account and much more.

As well as that, eBay offer their users a number of additional facilities which they can use and benefit from. Some of these include the following:

- Answer centre – get quick help from other members, share information and provide useful tips for new members
- Groups – share common interests in a public or private format, acts as a small community where users with same interest can interact
- News – includes recent news of eBay, additional information on keeping customers up-to-date, system updates, competitions and more can be found here.
- Feedback - Learn about other sellers/buyers, view their reputations, and allows users to express their opinions on a buyer/seller by leaving feedback.
- Chat rooms – talk with others in a casual setting.
- eBay help me shop – allows users to share their chosen products on Facebook to help them decide which product to buy

Overall, it is clear that eBay is one of the most successful e-auction businesses that exist in the market today and eBay's E-processes ensure in making the business successful. At Fashion-bid, we have E-processes that are very similar to eBay but at the same time not as advanced, as we are not able to offer services like having an answer centre, offer users' competitions or have the ability to integrate social networking sites within our system. This is because Fashion-bid is still at its starting point and with the expansion of Fashion-bid we will be continuously looking to improve our services by keeping up-to-date with new technologies and design possible new solutions to enhance our business further.

Technical Analysis of the Design and Programming Structure

Technologies to construct the website

The website will be constructed using existing current technologies such as PHP, HTML5 CSS3, JavaScript, AJAX, MySQL and JQuery. We have shown examples of using these technologies on our test website: <http://www.fashion-bid.co.uk>. With the use of PHP and MySQL we would ideally create a CMS that was custom to our business needs. The content on our website is always changing so the pages we create will have to be dynamic, thus the use of PHP. The HTML5 will be used for the static content and general page layout; this will be controlled by the CSS3. The JavaScript will be used to enhance the usability of the website, to control the real time occurrences such as the timer used to countdown the auction, the AJAX will be used to post information opposed to the PHP “Get” and “Post” options. The JQuery will be used for the animations and to ‘jazz’ the content, i.e. on the test site we have included an automated slideshow, which showcases our latest and newest products.

Custom CMS

The idea of us using a custom CMS came when we are assessing the current CMS’s currently available. The idea of having a custom based CMS was instigated due to the nature of the business and the content of the ecommerce application. Our first instinct was to check a variety of existing CMS systems that we could implement into our web application, we felt as though we were limited in terms of capabilities. The idea of using a system that is tailored by us for our use is ideal, as it would make the site the way we want it to be. The ideology behind the custom CMS will allow the adding, removing or updating of the content just as we would like it to be.

The PHP we will use will instruct and generate the pages using queries sent to database using MySQL commands. I.e. the system will generate the boutiques using the data held in the database provided by the seller and the boutique table will be linked to the seller in the user table. There will be only 1 database for the start-up stage of Fashion-Bid however if the business is expanding, a new database structure that consists of a multi database link up will need to be considered. However the most important part of this is that the new database can be implemented without disturbing the system or losing any data already captured. The PHP will be execute commands that construct the page dynamically, this means that the content displayed will always be up-to-date and the application will be able to calculate the remaining time to bid on the auction.

The images and the content of the product under auction will be added to Fashion-Bid by the seller after they fill out their product details and upload the image, this will all be stored on the server. This indicates that the server will hold a vast amount of data so there will need to be large amount of storage space, as well as a quick access method. The data will need to be added to the current items table in the database, but the data will need to be easily moved to another table once the auction is over, which will be linked to the seller as a previously sold item and will be used to link the feedback and rating to.

Database

The database is going to hold a huge amount of data, in order to reduce redundancies in data; the database will have to conform to 3rd normal form. The data must be easily accessed, edited and stored, so the indexing of data is required, the seller will be adding entries to the database when they register, add a product and when they add their boutique. The PHP and MySQL must be error free, if there is the smallest chance of an error occurring it could ruin the web application, not only that but it would affect the image and reputation of the company. The key point to remember with an E-commerce application is the fact that the rapport is established with the layout and functionality of the web application as there is no human to talk to. If there are errors or there are delays in the access of information, this would discourage users and potential customers. Therefore it would be essential for the database entities to be indexed accordingly, with a fully structured database design.

The user will have to register their details on our application in order to purchase using Fashion-bid, the seller will have had to requested a seller account and be authorised by the admin at Fashion-Bid. The registration for both will be designed using forms that will capture the information we require, for both this will usually mean the personal details i.e. their name, address, e-mail and password. The information will be stored in the database, the script will then send an automated e-mail with an automated activation key, that will be used to find the user verify their e-mail address and the activation e-mail will verify that the e-mail address given is valid. Once the link is clicked it will update the database to show that the user has verified their e-mail address.

Security

Security will have to be a key factor with the development of Fashion-Bid; the system will have to deliver personal information with a high bit encryption to ensure no one can intercept the information and misuse the data. This can be incorporated within the design, the other part of the security needed when handling the data is the use of an SSL socket, this will mean that the connection is a HTTPS opposed to a HTTP connection, meaning that the connection is secure and any sensitive information sent to Fashion-Bid will be encrypted using the public key, this will then reach us at Fashion-Bid and decrypt the information using the private key. It has become industry standard to include this level of security with any web applications that handle sensitive information. We have found that users that know about the HTTPS protocol tend to only participate in transactions that are secure thus have an SSL connection.

Servers

The web server will be provided externally from a company that we will have chosen this is purely for the start up of the business. When it becomes feasible Fashion-Bid will host the web site from servers internally. The choice for having the servers allocated from an external company is due to the cost of the setup of servers, the backup devices and the cost of maintenance. We will request a number of dedicated servers from a hosting company,

ensuring that regular backups are taken as well as there being a contingency should there be an error or malfunction of a server. For security reasons there will have to be a firewall securing access to the server, and ensuring any unwanted visitors do not gain access, there will be other security measures set, such as passwords that will be changed on a regular basis, setting access levels, so only a chosen few would be able to administrate the web application with access to the server. The privacy and the security measures is a must to comply with the data protection act.

The servers will have to be able to cope with a variety of traffic levels, the ideology behind choosing the .co.uk domain was to keep the business within the UK and offer our services to a UK audience, this means that the traffic levels will be controllable and they will be manageable with their being set peak and off peak times. The server will need to be able to cope with a large amount of requests of data at any one time. There will need to be regular backups of the server for safety reasons; there should be an onsite backup as well as a remote back up in a different physical location. There will need to be additional backup synced servers that the system can revert to should there be any difficulty in accessing the main server. This means should there be any technical issues or physical issues with the main server the backup can kick in, whilst the main server issue is resolved.

The server will have to be running constantly without fail, should the server at any point fail and there be no contingency, the business will lose customers resulting in a loss of sales, business equity, clients and potentially damage the image of Fashion-Bid. The servers at times will need to be upgraded to continue to offer the best service possible. This means that the server will need to be easily updated without any of the services offered by Fashion-Bid being disrupted.

With security the server side security is essential and must be tough enough to withstand any attacks or potential attacks. This means a firewall must be strong, the main concern when protecting from attacks is the leaking of information, or the stealing of personal details, in order for Fashion-Bid to be compliant with the Data Protection Act 1998. We must keep all the data we hold secure ensuring that the information is not accessed by anyone not authorised.

Fashion-Bid will provide all the customers, the sellers and anyone who has signed up and agreed to receive our newsletters, the e-mail will be created and sent using a PHP script that executes and sends the e-mail to all the customers from the customer table, to the sellers from the seller table and we will have a separate table in our database that will contain the e-mail addresses provided by any user giving us authorisation to send them a newsletter. In regards to accepting payment, Fashion-Bid will use an external payment gateway; this means that the transactions will be completed by an external organisation that will authorise the payment with either the user's bank, or PayPal. The payment will then securely be sent to Fashion-Bid and then reach the seller once the fees have been taken out, this will be an automated process.

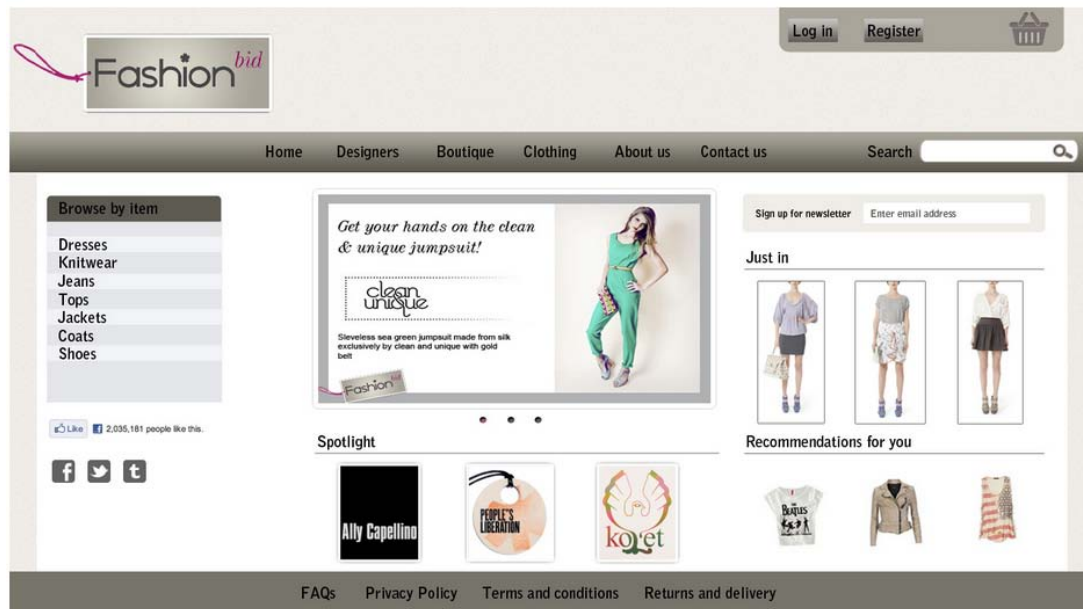
Fashion-Bid will have a forum based service so that users can communicate with the seller and the seller can communicate with the user/ buyer. This will be a private message service, and include a forum based bulletin board, so posts can be made for general view, this will be

a PHP based board with again the use of a database that will store the information within the board linked to the user table so that it can be associated with the user it belongs to. Once a transaction is complete the user is able to leave the seller feedback so that other potential purchasers can have an overview of the reliability, of the seller. The advantageous aspect of this feature is that the user is able to gain an idea of the responsibility of the seller, they can see how active the seller is, and they build up a rapport of the seller without physically meeting them.

Fashion-Bid endeavours to keep and uphold a strong relationship with its sellers and users, so we plan on having a contact form but we will have a different location for the form to be sent dependant on the level of service provided to a user, I .e. if they are a seller, a user or if they have not got an account this will be dealt with different departments within Fashion-Bid ensuring that the matter is dealt with a matter of urgency depending on the request of service. Fashion-Bid promise to keep users in the know, show once the form has been completed the PHP will execute and post the form to the server which will then compile the form into an e-mail and send it to the designated address. An auto correspondence will be set up so the user is aware that we have received their request and we will contact them back once we have a response.

Strengths & Weaknesses of the Design & Business Model

The design approach of fashion bid to any user will be eye-catching with photographs which will catch the user attention as soon as they visit the site. The business model on the other hand which is E-Auction provides fashion bid a simple and automatic bidding facility for its users.



Fashion Bid's Website Design

One of the main strengths of Fashion Bids design was to allow the user to easily navigate through the website, by keeping one main navigation menu which takes the user directly to what they are looking for, and the use of sub navigation for individual sections to simplify the main navigation which reduces the number of clicks so that its fast and easy for the user to go to what they are looking for.

Fashion Bid also offers a third navigation on the footer of their site where users are able to access the customer help section which provides a list of frequently asked questions and also information on returns and deliveries.

The website design will appeal to most users which carry an interest in fashion. Another plus point of the layout is that it is kept simple so that it is easier for users to navigate and bid on the site. Users may directly communicate with the designers for any additional information they require.

Fashion Bid has a main content area which is sectioned off by giving it a lighter shade of colour; here Fashion Bid draws the consumers into the main area of the site. The design has a dynamic layout constantly updating 'Just in' and 'recommendations for you' which makes the home page more personal and engaging each time the user comes back to the site.

The colour scheme which is an important part of the design as it provides the first impression to the user, Fashion-Bid colour scheme was kept to neutral colours the reason for this decision was that Fashion-Bid wanted the users to have a clear view of the photograph/content of the website instead of a colour which would overpowering the content of the website.

The login feature of Fashion Bid is quite simple, registered users being able to login and unregistered are provided a clear link of where to go if they are not. Also Fashion Bid smartly place any fashion items they wish to advertise in the centre of the page in form of a slider here the users are informed of all the latest trends in for the boutique section which also promotes the label of the designer and helps designer's get more of a recognition for their fashion designs.

One of the main weaknesses of the website besides the website being eye-catching to some users other users might find the same design of the website overwhelming and unable to interact with.

Also another key weaknesses of Fashion-Bid is that it does not provide users with updates about general fashion news and trends which will help users who are interested in fashion to know what fashion style and trend is in right now, Fashion-Bid is kept its content information limited to what Fashion-Bid provides. One of the other key design weaknesses of Fashion-Bid is that the use limited amount of graphically features, which will help the website stand out and attract user attention, also the layout of site can be confusing and frustrating so providing clear direct links to what the users are looking for on the site.

Fashion Bid's Business Model

E- Auction being fashion bids business model provides a bidding mechanism which is used to help resolve conflicts of interest on the same item.

The business model that fashion bid has decided to use has a number of strengths, which fit into the type of business that fashion bid is, allowing users to bid on clothing which they are interested in; bidding has no time constraints, which means bids can be placed at any time and you are able to also submit more than one bid, also will be time saving compared to face –to-face negotiations and all available online so you can access and follow the auction anywhere.

Fashion bid also provides a secure bidding environment for its users. E-Auction business model has many features one of them being, provision of attractive products which is so fashion bid provides important and accurate information on their products, the other community building which provides specialised products and services encourages customers to exchange materials through a trusted platform. Validation and verification which allows control procedures once bidding takes place, to monitor bidding processes.

Also Fashion bids business model provides benefits towards the seller and buyer, such as:

Sellers Benefits

- Increased revenue
- Best price settings
- Better customer relationship
- Lower transaction costs
- Insolvency
- Lower administrative costs
- Wide audience

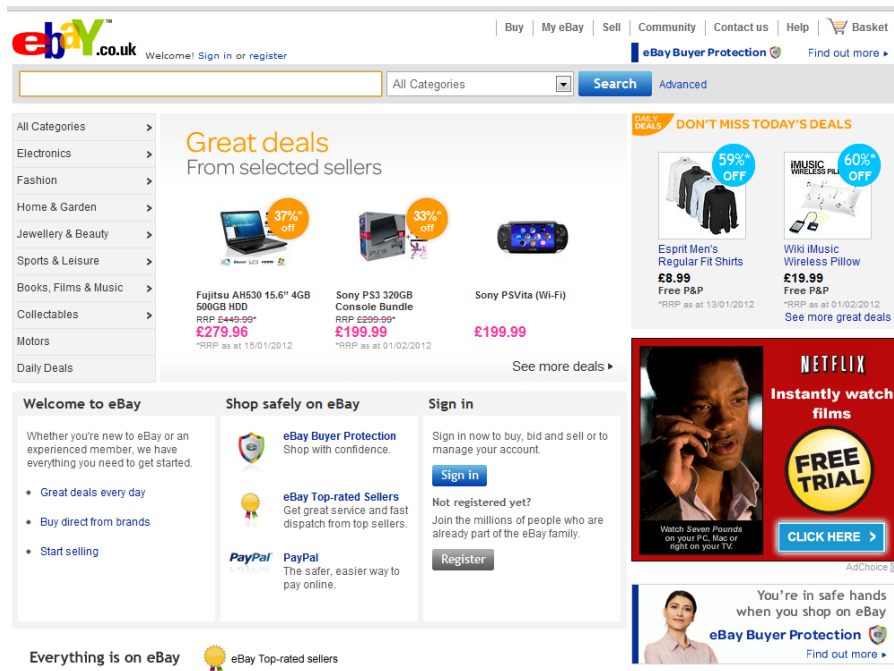
Buyers Benefits

- Option to find unique items and collectibles
- Lower prices
- Convenience
- Anonymity

Among the few potential drawbacks are that buyers are not able to personally view and evaluate items before making a purchase, which can raise the possibility of fraud. Also the weaknesses of the business model include long cycle time which causes higher cost, and poor customer service, limited participation, monitoring time and order fulfilments costs. Another weakness of E-Auction model is that there is no certainty in the price, the bidders may pay less than what you expected therefore selling product at a cheaper price.

Comparison

eBay



There are many differences in the web design between eBay and Fashion Bid, eBay website design is congested with information as soon as you go on to the eBay site. Fashion-Bid on the other hand is taken away from the normal and fixed looking typical design of a bidding website giving the users a more user friendly experience, the design is kept clean and attractive as it is a website associated with fashion so the users feel good whilst visiting and browsing through fashion items.

Both Fashion-Bid and eBay provided a feedback system allowing buyers and sellers to record their impression of the transaction. Both sites allow buyers to leave negative comments for the sellers. eBay disadvantage sellers by moving them down in the results when shoppers perform a search, which they do this by considering the seller's feedback score and making them less visible to shoppers, rather than letting buyers make the choice themselves. Whereas Fashion-Bid is not only a fashion item bidding website but also a website that gives sellers the opportunity to get recognised for their fashion designs so it does not disadvantage sellers and allows buyer to make the choice themselves. This is an advantage towards Fashion-Bid unlike eBay it provides a section to where the sellers have a dedicated space so they can upload their latest collections, providing the sellers their own online Boutique collection, which is another way where designers get more of recognition.

Also Fashion-bid not only provides a feedback system but also gives the buyers the opportunity to communicate with other buyers about their experience whilst shopping on fashion-bid, even discuss any demands that the customer may have for a product of their choice and any updates news on fashion that the designer can provide them with, whereas eBay does not give the opportunity for their buyers to interact with one another.

eBay sellers have struggled with photos. How to take good photos, how to get the photos to show up on eBay, and how many photos per item, Fashion-Bid is different they provided a clear requirement to the sellers of how the photo's should be upload and what the quality of the photograph should be, Fashion-Bid states that each and every photograph should be taken against a white clear background which allows to keep consistency throughout the website.

The biggest weaknesses of Fashion-Bid against eBay would be that eBay is a well recognised established online bidding website so they have a trust between themselves and users, whereas Fashion-Bid is an emerging establishing company so naturally trust issues will be a main concern, which at first will limit the amount of users that visit the site.

Conclusion

The main success of Fashion-bid will lie in connecting buyers and sellers. We will aim to improve customer relationships and make the bidding process as easy and effective to use. Our business model will stand apart from competitive bidding sites as designers will be able to set up and control their online boutique. This personal interaction and recognition via the profile pages will encourage sellers to use our platform.

We learnt that there are a series of factors that need to be considered and are necessary to set up an e-commerce business. After carrying out research and creating an analysis on our competitors we found what we could develop and improve upon their system. This also gave us a good understanding of what is involved to setup an e-auction. After analysing a series of business models we chose an e-auction to be the most appropriate. Fashion is about change and new trends and the bidding system not only gives control to the designers but also allows stock to move out faster. This real time updating system means that women will be able to view a constant change in stock.

We applied Michael Porter's value chain model to understand what primary and support activities are involved to enhance our business. Whilst creating the E-processes for our business, not only did we learn what it takes to improve our relationship with our customers, but also what operations need to be set in place in order for our business to function properly.

As for the technical development we understand that security will have to be a key factor with the development of Fashion-Bid. It is important that our customers feel secure whilst shopping with us and therefore we have undertaken a number of security measures such as SSL and Firewall to secure their transactions.

One of the main strengths of our business is the flexibility we give to our designers by allowing them to have their own personal space via our website which enables the designers to interact with potential customers, analyse product demand and make full use of facilities which Fashion-bid will provide them with. One of the main weaknesses of our business is that we are an establishing company so naturally consumers will have an issue with trusting our company.

There are many features and qualities that can be supplemented into Fashion Bid in the future, to improve and enhance the organisation. One of these features include, extend the target market as Fashion-bid has a niche market concentrating on women's clothing, by extending the market for men and children. In the future Fashion-bid will also be looking to wider their product range to give users more variety to browse.

As a new potential future improvement Fashion-bid can include having a live updates section, this will be a dedicated page for all live updates on the website, in addition to this we can provide more fashion news and tips so the consumers can come back for fashion advice. Lastly we asked a number of upcoming fashion students whether they will be interested to use Fashion-bid as a platform for their designs, 86% of the feedback was positive.

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