

mothercare

Electronic Business Report 2011

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Aim of Presentation.

1. Analyse the development of Mothercare's E-Business model.
2. Highlight Strengths and Weaknesses.
3. Explore how satisfied customers are with Mothercare's online store.

Introduction

- **‘Our mission is to meet the needs and aspirations of Parents and their children worldwide’ (Mothercare Mission Statement)**
- UK’s leading retailer of Products and Services for expectant mothers, babies and children
- Mothercare has four Channels of Growth, we will be focusing on Direct (E-Commerce Side of the business)
- Online presence has developed into a major driving force, Retail Stores are becoming Showrooms
- (Business Online = over 20% of Mothercare overall business.)



2. History and development



History

- Founded in 1961 by Selim Zilka, first store in opened in Surrey
- Offering “everything for the mother-to-be and her baby”
- Moderately priced products: Maternity wear, infant and children’s wear, buggies etc.
- However Mothercare have suffered many downturns since then

What went wrong?

- Failed to innovate
- Unsuccessful implementation of ICT systems
- Increasing problems with stock control, product availability and poor customer service
- 3 profit warnings with an operating loss of £10.4 million in 2000
- Competitors seized the chance by introducing new merchandise for infants
- Strategic and operational decisions were made

Recovery plan & development



- Primarily had to restore flow of stock to stores (supply chain)
- Costs needed to be controlled
- Infrastructures re-engineered progressively
- Crossover to a multi-channel retailer – Revolving their business around their website with their catalogue and stores
- Continuous improvements in product range

Recovery plan & development

- Launched website in 2000, with marketing revolving the website
- By 2008, they introduced web-enabled store strategy
Web sales rose by more than 78 per cent rising to £85.5 million
- All due to their multi-channel strategy and greater integration
- In 2006 Mothercare moved to Amazon's e-commerce platform



3. Mothercare's Business Model



Business models

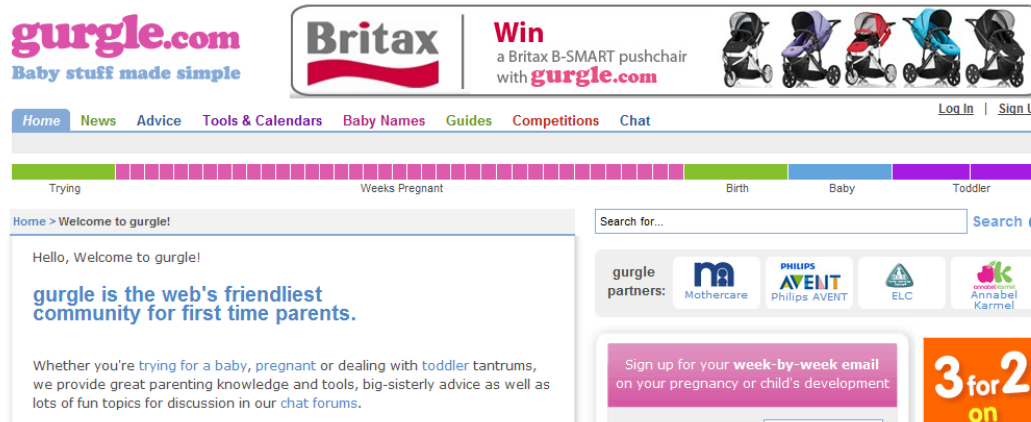
- Mothercare has transformed over the last nine years, using a variety of models and re-engineering their infrastructure and business processes
- Started as a bricks & mortar , Now a E-Shop
- Tapped into the market and now also uses a content-provider model
- Principally a B2C model, also using B2B on buy side
- Operates under cyclic functions – business functions are always maintained daily

E-Shop- Main features

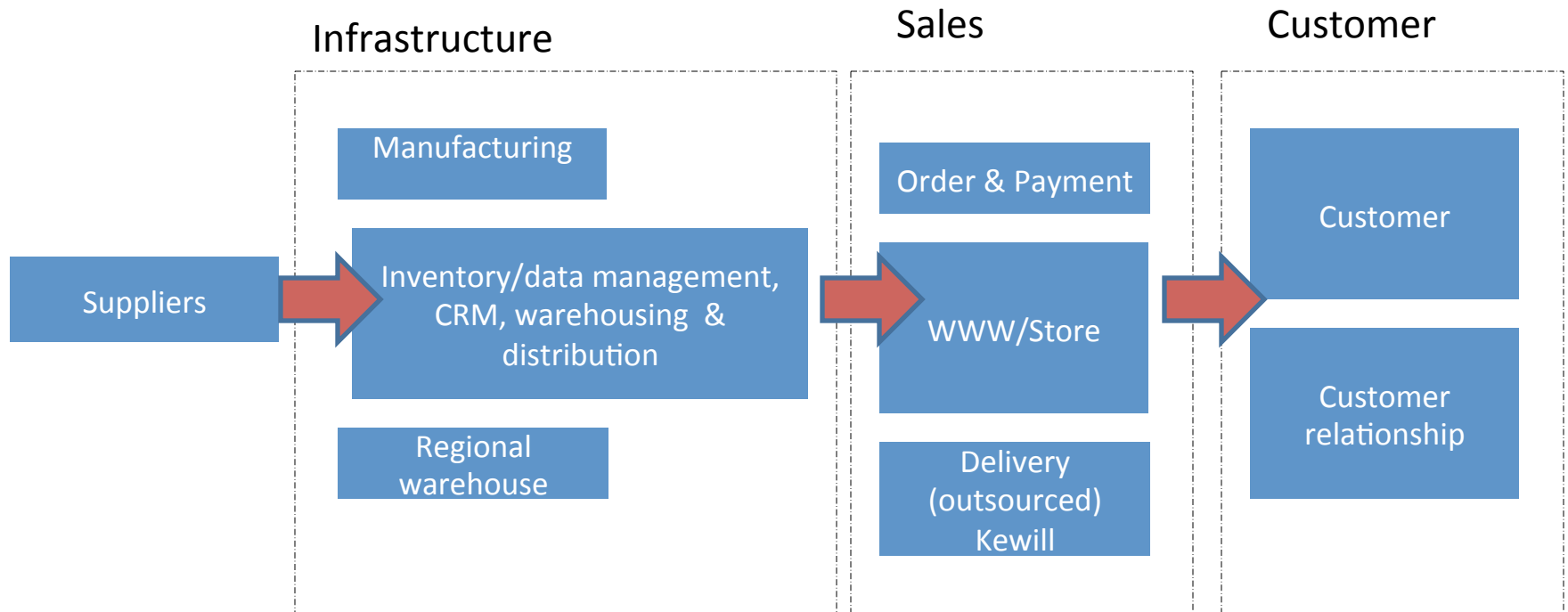
- Mothercare use a 'push model' - Revenue model based on sales of goods
- Provide the mechanisms for secure purchase ordering processing
- Large selection & product browsing enabled with multimedia
- Integration of business functions both front end and back end
- Customer profiling & customer service
- Delivery of products

Content Provider

- Gurgle.com part of the Mothercare brand
- 45,000 registered users
- Expert source of information and engaging content for expectant parents through 'e-newsletters'
- Building an online community
- Great marketing strategy



Business model overview





4. Mothercare's Value Chain



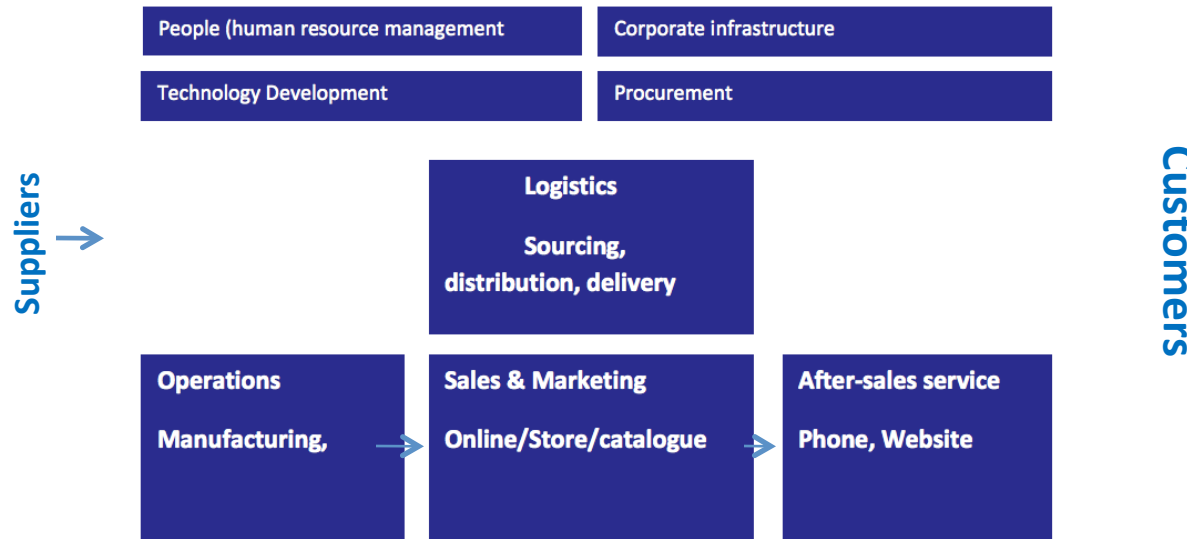
Value Chain

Primary activities

- Delivery/Transportation made through outsourced companies (4 working day promise) Free on all UK orders over £50
- Logistics
- Purchasing and sourcing of goods from abroad
- Mothercare manufactures 85% of their products
- Selling and advertising of products
- Offline processes – customer service

Secondary activities

Forecast management
Improving product
Procurement (sourcing)





5.E-Process of Mothercare



E-Process

Mothercare has to do two things to ensure that it continues to turn growth into profit.

- 1. Retain current customers**
- 2. Attract new customers.**

Mothercare E-Process includes:

1. Having software to convert business activities into electronic format

- Search tool > Current Customers can find items.
- Check Out/Payment > Customers register once

E-Process

2. Having a Customer Relationship Management System (CRM)

- Benefit for Customer: Personal Profile Page , Track Orders, Have Items recommended to them.
- Benefit for Mothercare: Build customer profile, Display selected products beneficial to customer, eventually lead to higher sales

3. Electronic Links

- Third party companies, After Sales and Advice

E-Process

4.Project Management/Delivery

(Electronic Data Interchange) > Transmission of Data between organizations electronically

B-2-B

- Mothercare's Kewill EDI / delivery notes and invoices (180 suppliers)

B-2-C

- Customers able to preview items online before buying
- Have a Unique Order ID to for delivery purposes
- Kewill EDI used here to dispatch larger items from manufacturer straight to customer



6. Website design & technology



Website design

- In 2006 Mothercare moved to Amazon's e-commerce platform for their website
- Improved functionality, speed, reliability

Design

- Dynamic xhtml pages/css
- Website tied in with catalogue aiming for same 'look and feel'
- Mainly text-based and emphasis on functionality
- Java-script-driven dynamic menu
- Embedded flash animation

The screenshot displays the Mothercare website interface. At the top, there's a navigation bar with links for home, store locator, shopping basket, my account, my wish list, gift list, and help. Below this, a search bar and a login/register section are visible. The main navigation menu includes categories like maternity, prams & pushchairs, nursery, car seats, clothing, bathing, feeding, bedding, kids bedroom, toys & gifts, sale, offers & clearance, and services & advice. A large red banner advertises a 'midseason SALE' with 'save up to half price' and a 'hurry... while stocks last' message. To the right of the banner, there's a section for 'expert advice' featuring a customer care advisor. Below the banner, there are two promotional boxes: 'FREE DELIVERY on all orders over £100 £50*' and 'maPROMISE we won't be beaten on price'. The main content area features a 'top offers' section with four product cards: Trenton travel system (save £50), Maxi-Cosi PrioriFix ISOFIX (save £100), Whitehaven collection (save £500), and Silver Cross 3D pram (save £50). To the right of the product cards, there's a 'clearance shop' section with a 'first time mum essentials' guide and a 'shop now' button. At the bottom right, there's a section for 'expectant parent events'.

Online security

- Mothercare facilitates secure electronic payment and delivery of product
- A 'login' facility used to indentify customers
- Secure server software (SSL) encrypts information
- Email address and password as 'authorisation tokens'

I am an existing customer
e-mail address

password

[forgotten your password?](#)
sign in ▶

I am a new customer
e-mail address

We need your email address to send you your order confirmation.
We will never share your details with anyone else, we promise.

You will set up your account password during the checkout process.

continue ▶

We will never ask for a customer to confirm any account of credit card details via email, please do not respond to any you receive. View our [Safe Shopping Guarantee](#).




Checkout facility

Checkout facility






- Same encryption process (SSL) used for checkout
- The need for customers to trust the organisation

mothercare

checkout: login/register delivery options  payment options confirmation

select a payment method

select payment method



pay with new card

credit card number

cardholder's name

card expiry date

☒ Mothercard MasterCard

Nicole Roberts

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2011

you will add your billing address on next page [continue](#)

shop with confidence

- Mothercare is a member of The Internet Shopping is Safe (ISS) programme





7. Strengths and Weaknesses



Design Strengths and Weaknesses

Strengths:

- Clear White Design, Welcoming for Users
- complimentary colors for action buttons
- Clear distinction between Browsing and Checkout Pages
- Simple navigation feature in place. (Hover Feature , Less Cluttered)
- Layout: The visual Show reel does well to capture the attention of the customer, showing the top deals and savings.

home | store finder | shopping basket | my account | my wish list | gift list | help
welcome back,
nicole roberts
(not you?)
68 items £10,906.97
your basket
checkout ▶

all departments ▼ Item/Catalogue no. go ▶

maternity prams & pushchairs nursery car seats clothing bathing feeding bedding kids bedroom toys & gifts sale, offers & clearance services & advice

Britax

save up to £50
on Britax car seats

see all ▶



save
£50

Britax Duo
Plus Isofix
was £219.99
now £169.99



save
£40
Britax Prince
car seat
£74.99



save
£40
Britax Eclipse
car seat
£79.99



save
£50
Britax Evolve
123 Plus
£109.99



save
£50
Britax First
Class Plus
£109.99

expert advice



I'm Carrie your customer care advisor. Ask me a question below and I'll do my best to help you

your questions...

search

email signup

We'll send you offers, new products and advice once a week.

your email address...

sign up

home delivery

collect from a Mothercare store

your address book

Kew
Unit 1a, Richmond Retail Park
Mortlake Road
Kew
Surrey, TW9 4AD

deliver to this store ▶

find a Mothercare store to collect your order from:

town, city or postcode:

Some Mothercare stores are unable to accept collection orders.

store collection options:

On the next screens you will select a Mothercare store. Collection is free on all orders

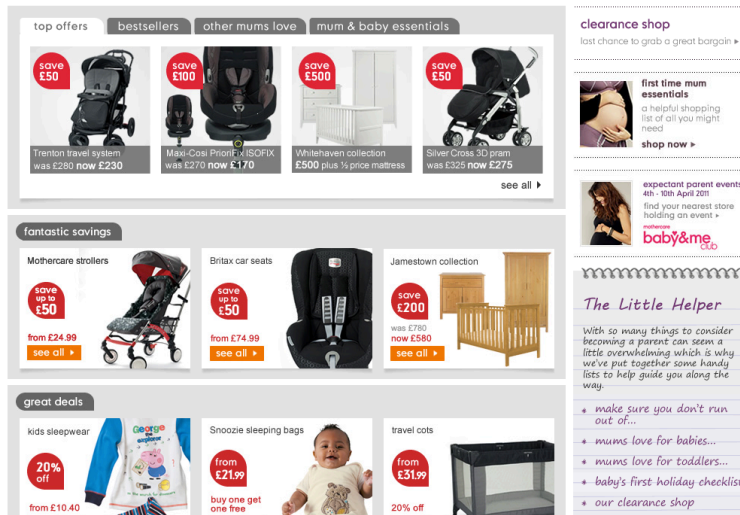
You will choose a Mothercare store on the next page

find a store ▶

Design Strengths and Weaknesses

Weaknesses:

- Home Page: first time expectant woman, the use of so much information on the first page could seem daunting
- there is no automatic logout.
- no inclusion of a password strength bar



*** REQUIRED FIELDS**

* First Name:

* Last Name:

* Email Address: * Re-enter Email Address:

Protect your information with a password
This will be your only Mothercare.com password. Please select a password that is more than one character in length and cannot be easily guessed.

* Enter a new password: * Confirm Password:

Business Model Strengths and Weaknesses

E-Shop Model has an advantage over stores that are solely retail based, and stores that are solely online based.

Synergy of Catalogue > Store> and Website enhances business operations

Strengths

- A broader online product range
- Leveraging Existing Customer Base
- Improved Trust
- Global Presence

Weaknesses

- Lack of face-to-face Help
- Return Policy
- Lack of Mobile Presence



8. Customer Satisfaction Survey



Customer Satisfaction

The questionnaire focused on:

- **Design and Layout**
- **Usability and Interaction**
- **Information and Content**
- **Order Payment and Security**
- **Delivery and Aftersales**

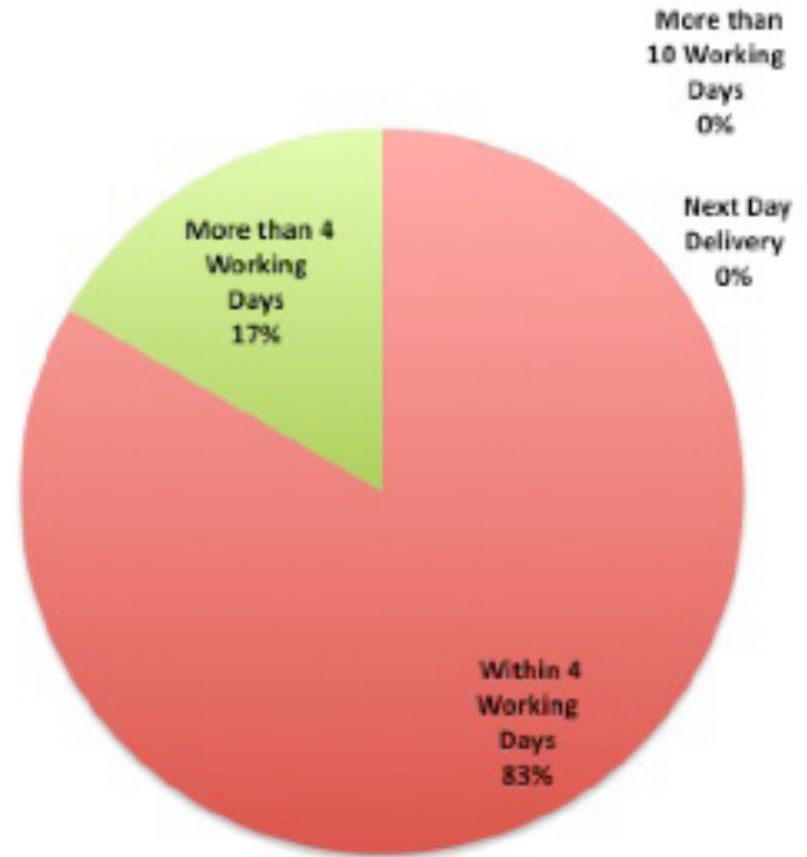
Survey Posted on Gurgle.com Mothercare's Social networking site.

- Number of Responses 25
- Overall Core Satisfaction: **Overall CORE Satisfaction:** 0.66423
- Areas of Improvement: Security and Item Searching
- **Important Note.** Out of 25 People 11 had ordered online so this way taken into consideration.

On Average how long did you have to wait for a product to be delivered?



All Responses



Only People who had ordered

Examples of Responses

- Most respondents were happy with the design and layout of the website. The CORE satisfaction value here was 0.67,
- Mothercare respondents were satisfied with the interactivity of the website, with this question receiving a CORE satisfaction value of 0.88.
- Only 11 out of 25 had Shopped on-line – This could indicate Browsing, or Customers preferring Direct Sale Approach
- Respondents felt that a product being on promotion would highly influence their buying pattern.

Conclusion

- Managed to successfully to maintain a competitive position through their recovery plan by reinventing themselves
- By working on product, developing channel, improving operating standards and services
- Effectively cultivated customer relationships
- Values chain successful consisting of good sourcing of products, sales and distribution and customer service, whilst also building an 'online community'
- Evidence of innovation and 'sustain' in business cycle.

Conclusion

Room for improvement...

- Improve services world-wide by investing in more network servers and distributing systems. Mothercare only offers a UK-based website
- No international delivery
- Stock information not emphasised enough on website