

ShopFoodEx.com – An online grocery experience

Team A

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## **Abstract**

The online grocery industry is growing and highly competitive. ShopFoodEx has been successful, but will benefit from repositioning itself by updating its website design, improving distribution methods, and implementing additional recommendations to ensure sustainable competitive advantage. The company's website will be redesigned to provide an excellent customer experience, including a simple and secure check-out process, social media engagement, and easy to use and navigate product pages. Social media will engage customers in conversations and tap into customers' creativity. Data will be collected from these interactions and used to influence the company's decision-making process. Shipping methods will be updated and simplified, and incorporate a redesigned distribution process. Partnering with other companies and using third party programs will be implemented, with the focus on providing better shipping costs and practices, data mining, and purchasing security. Ultimately, the company's new market position will result in a sustainable competitive advantage.

## **Introduction and company information**

The online grocery industry is growing and highly competitive. As consumers become busier and more pressed for time, the need for convenient, secure, and timely delivery of groceries will become increasingly important. Firms that anticipate customers' future needs will obtain a competitive advantage in the industry. ShopFoodEx will adjust its strategy to ensure that the company remains competitive (Table 1). ShopFoodEx will re-position itself to dominate in a niche – high quality, hard to find, unusual and gourmet foods – and will provide quality, timely, and responsive customer service. Its mission and value proposition will be to delight the customer by offering convenience and quality while providing impeccable service.

ShopFoodEx.com is an online grocery home delivery service, founded in 2002. Initially, the company focused on local home delivery. In 2008, the local delivery service was discontinued and the focus shifted to online ordering and shipping only. ShopFoodEx was named one of the top 10 online grocers in 2009. ShopFoodEx is active in the Roanoke community, supporting local food banks and pantries, and donating food to local church programs (ShopFoodEx, n.d.). ShopFoodEx offers a variety of foods that are gluten-free, natural, or seasonal. Updating and simplifying the website will be a major step towards improving the customer experience and re-gaining market superiority.

The company's current market niche is competitive and customers are continuously seeking new and more efficient ways to shop. Nielsen Global's e-commerce survey shows that millennials (ages 21-34) use online grocers the most with 30% and 57% likely to try the service. The next group that uses or is willing to use an online grocer is Generation Z (ages 15-20), with 28% using an online grocer and 55% who are likely to try the service (Nielsen, 2015). ShopFoodEx is

positioning for the future with the emphasis on serving a wide variety of customers and marketing to the “convenience seeker”.

### **Infrastructure Considerations**

With online grocery shopping increasing at a rapid rate and identity theft and security breaches making headlines, consumers are concerned about the security of websites and protecting their private information. According to Nielsen's 2012 U.S. shopping survey, only 22% of respondents believe that online shopping is the safest way to buy (Hardison, 2012). Security and privacy protection are among the top issues for online customers. ShopFoodEx will conduct a risk assessment of its website (Figure 1) and produce a security plan, which will be continuously updated and include mitigation and disaster recovery strategies. The company will secure customer data without compromising the shopping experience by addressing the six key dimensions of security: integrity, nonrepudiation, authenticity, confidentiality, privacy and availability (Laudon & Traver, 2015).

Collection and storage of personal information is a key component of customer security issues. Customers will have the option to explicitly opt-in or opt-out of email communications and data collection. ShopFoodEx will use simple and secure methods for customer payments, i.e., PayPal and credit cards. The payment gateway will be Payment Card Industry Data Security Standard (PCI DSS) compliant, will not store customer credit card information, and will be accomplished by using ShopFoodEx's Authorize.net account, which provides internet payment processing for credit card and electronic checks (Authorize.net, 2016). In a further effort to build customer trust and confidence, ShopFoodEx will leverage its current high rating with the Better Business Bureau (BBB) by applying for a BBB Reliability Seal, which allows site users to view a BBB

reliability report confirming that the company is an active member that abides by the BBB's standards (Better Business Bureau, 2016).

The website will use Secure Socket Layer (SSL), which enables an encrypted connection, throughout its website. The site will also use firewalls, proxy servers, an intrusion detection and prevention system, and a cloud-based Distributed Denial of Service (DDoS) protection service to secure the network and customer transactions. A cloud-based DDoS service is the best option due to the following benefits: 1) Expertise: Generally, these providers have network and security engineers and researchers who are monitoring for the latest DDoS tactics to better protect their customers; 2) Bandwidth: These providers have much more bandwidth than an enterprise could provision on its own to stop the biggest volumetric attacks; and 3) Multiple types of DDoS mitigation hardware: DDoS attacks are extremely complex. There is a need for multiple layers of filtering to be able to keep up with the latest threats. Cloud providers can use multiple technologies, commercial off the shelf and their own proprietary technology, to defend against attacks (Leach, 2016).

In 2013, approximately 74% of online shopping carts were abandoned by shoppers (Figure 2). That number is increasing and will continue to do so as more people shift to online and mobile shopping (Smith C. , 2015). The most common reasons cited for abandoning a shopping cart in order, are: unexpected costs (shipping, tax), forcing creation of an account to check out, customer “just doing research”, payment security concerns, confusing check-out process, and inability to locate coupon codes (Charlton, 2015). ShopFoodEx can reduce the rate of abandonment (Figure 3) and increase conversions by streamlining and simplifying the checkout process, offering multiple customer service options, providing personalized product recommendations, and enabling an option for customers to “save items for later”. Varied

customer service options can help reduce consumer frustration, cut the number of abandoned shopping carts, and increase sales (Laudon & Traver, 2015).

Mobile purchasing is now 30% of U.S. e-commerce and is on the rise, with convenience a key factor (Brohan, 2015). Recognizing the importance of mobile shopping (Figure 4), ShopFoodEx will use a responsive website design capable of adapting to any device, and will provide an excellent user experience, regardless of how it is accessed (i.e. iPhone, tablet, iPad). The company will also develop a mobile app in the near future that is simple, easy to use, and has a consistent look and feel with its website and branding. It will employ similar security and privacy methods for its mobile app.

### **Supply Chain Activities and Product Distribution**

Since 2002, one of ShopFoodEx's goals has been to make online grocery shopping easy for customers. In order to accomplish this goal, the plan is to reconfigure its outdated and cluttered website, making it user friendly and more interactive. The focus will be on providing the best customer service experience through faster and more affordable delivery options and with customer support available throughout the entire shopping process. "If you give people what they want, the way they want it and follow through with a fast finish when it comes time to pay up, you are much more likely to turn them into satisfied customers" (Writer, 2015). Through customer service interaction, ShopFoodEx can listen to returning and new customers and understand what customers want to see in inventory. ShopFoodEx will offer free shipping for new customers on their first order. ShopFoodEx will negotiate a contract with USPS and FedEx to provide affordable shipping costs and 1-3 business day delivery service. The recommendation is for the company to establish regional warehouses in central shipping zones in Boise, Idaho, Topeka, Kansas, Chicago, Illinois, Birmingham, Alabama, Albany, New York, and near

company headquarters in Roanoke, Virginia. This will allow the company to provide less expensive, faster, and more efficient delivery to customers.

### **Marketing Considerations, Sales and Consumer Interactions**

A SWOT analysis was conducted to confirm ShopFoodEx's marketing strategy (Table 2 **Error! Reference source not found.**). The revised marketing strategy will focus on people who live a fast-paced lifestyle with limited time, who prefer high quality groceries, and who prefer to grocery shop online with convenient home delivery. By using Facebook, Twitter, and Instagram, ShopFoodEx will reach and communicate with a vast number of customers. With an estimated one billion users, Facebook has become "one of the most attractive social networks for companies to market their brands" (Rodriguez, 2013). These social media platforms allow ShopFoodEx to communicate directly with its customers by posting and updating special offers, coupons, recipes, and sales. This 1:1 interaction will provide valuable customer feedback. Through the newly reconfigured website, customer service representatives will assist customers through email, online chat, or telephone.

### **Supporting Internet Communication Activities**

"An integral part of the sales process is getting to know your prospects and establishing relationships—and it turns out that social media can help you accomplish this quickly and easily" (Smith J. , 2014). A strong presence in social media allows ShopFoodEx to promote its products and services while listening what its customers are saying about the company, their experiences, and what they want. Listening to what customers want is important, but listening to the conversations customers have with other customers is even more important. As Becker notes: "Kozine's Organic Inter-consumer Influence Model recognizes the attempts of one consumer to



influence another's attitude toward a product or service without direct prompting, influence, or measurement by marketers" (Becker, 2016).

The goal of implementing social media will be to increase exposure and traffic on the website without distracting people with spam and advertising. Social media is a great way to promote a product and service and reach a large amount of people and ShopFoodEx will continue to use it to communicate with its customers. It is important to engage with customers constantly (Figure 5). The company's Facebook page will have posts about specific products and recipes using those products. The company will also engage customers on Facebook by using questionnaires as a method to solicit feedback from customers about their experiences with the company.

On Twitter, #ShopFoodEx will be created and used to track conversations about the company. Twitter allows ShopFoodEx to engage in direct conversations and polls with customers about products they like, do not like, and other products they would like to see available. Instagram gives the opportunity to post pictures about ShopFoodEx products, bi-weekly sales, coupons, packaging, and shipping discounts. ShopFoodEx will post pictures and videos of how products are packaged for shipping in order to give the customer an idea of what to expect when the order is delivered. A link to the website will be posted at the top of the profile page for quick access to other areas of the website. The same hash tag from Twitter can be used on Instagram, allowing the company to track postings about ShopFoodEx products and services on social media. The redesigned home page will have links to social media that allow customers to 'follow us'. A team of knowledgeable social media specialists will be hired to oversee the social media interactions and ensure timely responses to customers.

## **Website Design and Consumer Relationship**

ShopFoodEx's core business strategy is to bring convenience to customers' lives by making the experience as quick and easy as possible. The main target audience is men and women who have busy lifestyles and prefer to use the Internet to place their grocery order and have it shipped directly to their front door ("convenience seekers"). The convenience message will be reflected in the redesigned website ([ShopFoodEx](#)). The website is the "store front" – it is where customers spend most of their time interacting with the company. It is important that the experience is consistent with the company's objectives. The website will be redesigned, streamlined, and simplified to reduce clutter and minimize distractions that diminish the customer experience and will focus on search engine optimization to improve its ranking with various search engines.

The landing (home) page is the first thing that visitors see; therefore, the most important. When entering the site, visitors will be immediately engaged by the vibrant visual of a ShopFoodEx grocery basket. The "How it Works" link will be front and center on the home page and linked to a visual demonstrating how ShopFoodEx works. Potential customers are then visually guided to the "GET STARTED" link. There will be links to the Login Portal and other relevant information such as FAQs, Contact Us, Products, Shipping information, and other links that customers may find useful, such as Company History and Customer Testimonials on the landing page. These links will be organized and categorized to keep the landing page visually clean and clutter free.

Regarded merely as a hub for high school and college students just a few years ago, social media now exerts tremendous influence over the way people around the world get and share information. The implications for business are profound (Baumgarten, Duncan, & Jamison,

2012). ShopFoodEx's social media links will be prominently displayed on the website in an effort to encourage customer social media interaction with the company.

ShopFoodEx will use Live Chat Support to connect with customers and provide personalized service. ShopFoodEx will use Zopim in an effort to proactively engage with its customers.

Zopim is a web-based software that serves as a Live Chat Platform and allows monitoring of visitors on the website while in a chat session. When shopping online, customers are happier and are more likely to make a purchase if their questions are answered quickly, which are usually about pricing and product information. Live chat provides the perfect platform to answer questions immediately and to eliminate the customers' hesitation to purchase. Customers no longer need to resort to phone calls and/or emails, which involve longer wait times (Figure 6).

Tracking statistics, interpreting the data, and properly using the results is one pivotal reason why businesses succeed or fail. ShopFoodEx will use analytical tools to analyze its website and assess effectiveness. The company understands that without implementing an effective analytical system, it is simply flying blind. It will use tools such as Google Analytics and RetentionGrid to get real time statistics, track social media traffic, determine where the audience is going, analyze customer loyalty and lifecycle, and track repeated orders.

### **Company Physical and Internet Integrated Strategy Issues – Current and Future**

The online grocery industry is large and growing, with estimated sales in 2013 of \$6.5B (Statista, 2014). Clearly, ShopFoodEx has a large amount of competition (Table 3). An analysis of the current market is critical. Assessing the industry and its current strengths and weaknesses as well as how it will evolve in the future is vital to remaining competitive. Currently ShopFoodEx does not have a physical competitive advantage since it only sells online. Within a 5-mile radius of the company's shipping warehouse, there are over 25 major and minor grocery stores for local

residents to choose from including multiple Walmarts, Krogers, Food Lions, Safeways, and other small name stores.

Online competitors whom also have physical stores include Walmart, Safeway, Whole Foods, and Costco. These stores have established reputations and competitive pricing. Direct competitors such as NetGrocer offer online ordering and shipping or pick-up options. Instacart is a major online competitor that offers services from a number of major physical grocery stores. Its model is to work with local grocery stores to provide an online food catalog. It provides delivery services within one hour, with employees “hand-picking” customer items. Some of ShopFoodEx’s major competitors offer home delivery in major cities and may offer pick up at the store. Safeway, for example, offers same day delivery on orders and gives the customer a 100% satisfaction guarantee, including quick returns or exchanges. ShopFoodEx will incorporate a similar customer satisfaction guarantee into its services in order to be competitive. Another competitor of ShopFoodEx is NetGrocer.com. They offer similar products at a slightly higher delivery price and do not offer guaranteed shipping prices until the items actually ship. This practice can be misleading, because the customer does not know the full price of an order until checkout.

The competitive environment has a major impact on the overall strategy of ShopFoodEx. Its future strategy will focus on reducing the number of products it offers, analyzing customer purchasing behavior in order to provide personalized recommendations and product offerings, instituting customer satisfaction guarantees, and timely delivery of products. The company’s market focus will change to focus on a niche. With the proposed expansion to centralized warehouses, ShopFoodEx will institute a physical presence in addition to its online presence so that customers can purchase directly from the warehouse. This will enhance relations with the

local community and establish physical competitiveness. BusinessBlog mentions, “Although electronic retail has undeniably taken a toll on the sales in physical stores, purely virtual shops have found that it’s smart to expand online business to a brick and mortar store because customers simply bought more” (Sokol, 2015).

ShopFoodEx will also consider additional changes to its business model. For example, it could collaborate with Instacart to provide logistical support and further its reach. Another option is partnering with extended-stay hotels and online rental firms to provide quick, easy, and convenient food delivery. Firms such as Airbnb or VRBO, which supply “the feel of home” style rentals, with full kitchens and the option to cook while traveling, would be excellent partners for ShopFoodEx.

ShopFoodEx will explore options to reduce shipping costs, including simplifying its shipping policies and procedures and partnering or outsourcing. This will result in a competitive advantage over its current competition. One option to achieve this is to work with Amazon Prime to leverage their shipping expertise and enable low cost domestic shipping. ShopFoodEx offers shipping to APOs for members of the U.S. military and should continue this practice. The company should consider outsourcing its APO orders to Military Food Express to reduce customer inconvenience, ensure timely delivery, and provide the best possible customer service. The company should continue its focus on community involvement and its sustainability efforts.

## **Conclusion**

Repositioning the company to enable future success will require changes to ShopFoodEx’s current strategy. ShopFoodEx will focus on a market niche and will achieve dominance by clearly defining its customers, engaging directly with its customers to gain marketing insights, decluttering its website, and improving its logistics, purchasing, and data mining capabilities.

These recommendations will assist ShopFoodEx with making the necessary changes to its current digital strategy to ensure sustainable competitive advantage into the future.

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## Appendix

Table 1: Current vs Proposed Strategy

Category	Current Strategy	Proposed Strategy
<b>Positioning</b>	<ul style="list-style-type: none"> <li>• Selling nonperishable groceries only (NO prepared foods)</li> <li>• (NO frozen foods) (NO produce)</li> <li>• (NO poultry/meat/seafood)</li> <li>• No minimum purchase required</li> <li>• Over 11,000 grocery items</li> <li>• Make it easy to order groceries online</li> <li>• Carry newest and hard to find items plus “staples”</li> <li>• Wide variety of long shelf-life foods</li> <li>• “Meat” department</li> <li>• Gluten-free and natural products</li> <li>• Household name brands</li> <li>• International foods</li> <li>• Online Only</li> <li>• Competition based on current business model:               <ul style="list-style-type: none"> <li>○ Instacart</li> <li>○ AmazonFresh</li> <li>○ Safeway</li> <li>○ PeaPod</li> <li>○ Walmart</li> </ul> </li> <li>• Google Shopping Express</li> </ul>	<ul style="list-style-type: none"> <li>• Start to focus more on quality of products instead of quantity (11,000+ items)</li> <li>• Simplify website</li> <li>• Highlight new/unusual items</li> <li>• Partner – Instacart?</li> <li>• Divide gluten-free, natural, organics, and sugar-free items into searchable categories with a drop down. More people are diabetic than have issues with gluten (this could be a shopping option also)</li> <li>• Have visible banners with the categories</li> <li>• Quantity doesn’t matter – it’s clutter. I don’t want to have to choose between 10 different brands of flavored gelatin. I just want the one that’s the highest quality.</li> <li>• Focus on quality – reduce quantity. Increase efficiency.</li> </ul>

Category	Current Strategy	Proposed Strategy
<b>Customer</b>	<ul style="list-style-type: none"> <li>• Busy Lifestyle/Household</li> <li>• Millennials</li> <li>• Computer literate</li> <li>• Limited Time</li> <li>• Online Shopper</li> <li>• No transportation to local grocery store</li> <li>• Elderly/Sick/Alone</li> <li>• Willing to pay premium \$ to have it shipped directly to door</li> <li>• Value prop vs cluster?</li> </ul>	<ul style="list-style-type: none"> <li>• Use value cluster approach, including storing purchase info, recommending like items, etc.</li> <li>• Have more advertising to a broader audience</li> <li>• Doesn't have time to spend too much time on the website either – make purchasing online easier and simpler.</li> </ul>
<b>Customer Service</b>	<ul style="list-style-type: none"> <li>• FAQs</li> <li>• Contact through email</li> <li>• Contact through phone</li> </ul>	<ul style="list-style-type: none"> <li>• Contact through Live Chat</li> <li>• Phone more prominent</li> <li>• Streamline FAQs/categorize so easier to find/search</li> <li>• Promote CS more</li> <li>• Create a YouTube video on how to use the service</li> <li>• via Live Chat (www.zopim.com - just one example of a platform that supports live chat).</li> <li>• Via SMS? – at least the delivery notification could perhaps be done on SMS?</li> </ul>

Category	Current Strategy	Proposed Strategy
<b>Social Media</b>	<ul style="list-style-type: none"> <li>• Facebook – 781 likes, 6 posts</li> <li>• Twitter – 95 followers</li> <li>• Google+ – 5 followers</li> <li>• 3rd page under “online groceries delivered”</li> </ul>	<ul style="list-style-type: none"> <li>• Discontinue Google+</li> <li>• Increase followers</li> <li>• Add Instagram</li> <li>• Engage more with customers through social media</li> <li>• Timeliness in responding</li> <li>• Focus – maybe just FB and Twitter?</li> <li>• YouTube link to ads about featured products or companies</li> <li>• Increase Google presence?</li> <li>• Name changes: Fans of ShopFoodEx Grocery Delivery -&gt; ShopFoodEx</li> <li>• Follow social media norms – their posts are too long and boring.</li> </ul>
<b>Ordering</b>	<ul style="list-style-type: none"> <li>• NO Phone Orders</li> <li>• Order tracking for registered users only</li> <li>• Confusing navigation</li> <li>• Can check out as guest or log in/register</li> <li>• Can “Reorder” previous orders</li> <li>• Can save specific shopping list as “Usual Order” and reorder it as often as they want</li> <li>• Laid out like a brick and mortar store</li> <li>• Calls out seasonal items</li> <li>• Small section of on sale items</li> </ul>	<ul style="list-style-type: none"> <li>• YES Phone Orders</li> <li>• Simplify and streamline</li> <li>• Quick check-out for customers with established accts?</li> <li>• Add/refine order tracking</li> <li>• Expand the “on sale” offerings</li> <li>• Pricing more competitive with brick and mortar (Horizon Mac and Cheese \$2 more than at local store)</li> </ul>

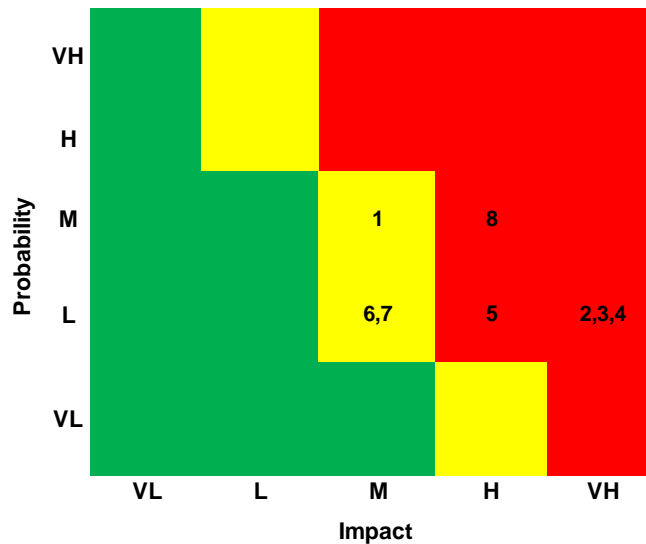
Category	Current Strategy	Proposed Strategy
<b>Shipping</b>	<ul style="list-style-type: none"> <li>• Domestic Shipping (All States) (2-7 business days)</li> <li>• Divided by zone for continental US</li> <li>• May ship in multiple boxes (auto-extra charge)</li> <li>• Cost is high</li> <li>• International Shipping</li> <li>• APO/FPO/DPO Shipping (1-4 weeks)</li> <li>• Spend \$100.00 or more and save</li> <li>• 33% off your shipping charge</li> <li>• Order over 150 lbs., shipping rate will double</li> </ul>	<ul style="list-style-type: none"> <li>• Create smaller shipping rate chart (condense regions)</li> <li>• Find a way to make shipping cheaper (people might start using local companies instead to avoid high shipping rates)</li> <li>• Domestic Shipping (1-3 business days)</li> <li>• Add overnight/expedited option</li> <li>• Less expensive shipping costs</li> <li>• Regional warehouses to reduce rate/fee? We need to look more into this</li> </ul>
<b>Payment</b>	<ul style="list-style-type: none"> <li>• All major credit cards</li> <li>• (Visa MC Amex Discover)</li> <li>• PayPal</li> </ul>	<ul style="list-style-type: none"> <li>• No changes recommended</li> </ul>
<b>App</b>	<ul style="list-style-type: none"> <li>• No Mobile App</li> </ul>	<ul style="list-style-type: none"> <li>• Create Mobile App (make sure it's compatible with the website/inventory)</li> </ul>
<b>Website</b>	<ul style="list-style-type: none"> <li>• Add to Cart without clicking item ("Quick View")</li> <li>• "Choose Your Aisle"</li> <li>• CS phone # at bottom of homepage in small font</li> <li>• Tough to see white on the bottom against a pale blue background</li> <li>• Very plain banner at the top</li> <li>• Very crowded entry/home page</li> </ul>	<ul style="list-style-type: none"> <li>• Put CS # on top of page along with hours of service (Lets customers know we want to assist and we want to assist ASAP)</li> <li>• Less words on homepage (font very small, too busy, make it more inviting)</li> <li>• Add more color/darker color</li> <li>• Have sale category stand out more</li> <li>• Have less on the front page</li> <li>• Be able to zoom into pictures</li> <li>• Better pictures</li> <li>• Simpler website – think <a href="http://www.instacart.com">www.instacart.com</a></li> <li>• Replace the "aisles" – something that's easier to navigate.</li> <li>• Weekly Specials could be promoted better – it's hiding in one of the pages.</li> </ul>

Category	Current Strategy	Proposed Strategy
<b>Online Search Engines</b>	<ul style="list-style-type: none"> <li>• Google – on page 2; not on sponsored ads up top</li> <li>• Yahoo – 1st page, at top</li> <li>• Bing – 1st and in ad area at top</li> </ul>	<ul style="list-style-type: none"> <li>• Improve Google rating</li> </ul>
<b>Security</b>	<ul style="list-style-type: none"> <li>• Authorize.net merchant</li> <li>• Did not verify address or phone data on check-out</li> <li>• Can store cc # or elect not to</li> <li>• Confirmed valid CC #</li> </ul>	<ul style="list-style-type: none"> <li>• Verification/authentication of valid data beyond payment</li> <li>• Stored data security</li> <li>•</li> </ul>
<b>Inventory Mgt</b>	<ul style="list-style-type: none"> <li>• Out of stock items end up being cancelled rather than refreshed as out of stock on website</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure refresh of available items online more frequently (Daily? Hourly?)</li> </ul>
<b>Data Mining</b>	<ul style="list-style-type: none"> <li>• Collects Data?</li> </ul>	<ul style="list-style-type: none"> <li>• Use collected data to refine value cluster</li> <li>• Cart abandonments</li> <li>• After the purchase analysis (repeated visits to site, customer service, feedback via ratings sites and social media, etc.)</li> </ul>

Figure 1: Risk Assessment and Risk Map for Infrastructure

Risk register for "back office" technology applications									
Risk Assessment							Contingency		
ID	Risk	Category	Root Cause	Trigger	Strategy	Response	Plan	Risk Probability	Risk Event Impact
1	Privacy	External	Data hacked - intentional theft of customer data; inadvertent sharing of customer data	Poor security around customer data; intentional or unintentional data leaks	Accept & Mitigate	Communicate with customers in timely manner	Implement customer communication plan; offer credit-lock type services	Medium	Medium
2	Fraud - customer specific	External	Stolen identities	improper or inadequate validation of customer identity	Transfer & Mitigate	inactivate accounts; legal action if possible	Purchase insurance coverage where possible; work with 3rd party vendors to validate customer identity	Low	V. High
3	Fraud - credit card	External	Stolen/fraudulent credit cards	improper or inadequate validation of credit card data	Transfer & Mitigate	inactivate accounts; legal action if possible; notify credit card companies and appropriate authorities	Purchase insurance coverage where possible; work with 3rd party vendors to validate credit card data	Low	V. High
4	Data breaches	Internal/External	Intentional hacking; unintentional leaking of data by employees/vendors	Cyber attack; cyber security issues; technology failure	Transfer & Mitigate	Hire appropriate resources to address - whether internal IT personnel or contracted; train employees	Implement adequate cyber security or contract with 3rd party provider to assess and implement; provide employee training to reduce issues	Low	V. High
5	Website outages	Internal/External	Inadequate technology infrastructure; malware; viruses; malicious code	Cyber attack; cyber security issues; technology failure; DDoS attack	Transfer & Mitigate	Hire appropriate resources to address - whether internal IT personnel or contracted; train employees	Implement adequate cyber security or contract with 3rd party provider to assess and implement; provide employee training to reduce issues; implement a cloud-based DDoS protection service	Low	High
6	Spoofing	External	Intentional hacking, hiding of true identity	Cyber security issues; technology failure	Accept & Mitigate	Hire appropriate resources to address - whether internal IT personnel or contracted	Implement adequate cyber security or contract with 3rd party provider to assess and implement; ensure adequate router/firewall protection	Low	Medium
7	Website vandalism	External	Intentional disrupting, defacing or destroying a site	Cyber attack; cyber security issues; technology failure	Accept & Mitigate	Hire appropriate resources to address - whether internal IT personnel or contracted; test systems to identify and remediate vulnerabilities	Implement periodic/continuous system testing to identify and remediate system vulnerabilities	Low	Medium
8	Malicious code	External	Intentional threats to system integrity - worms, viruses, Trojan horses	Cyber attacks, cyber security issues; technology failure	Accept & Mitigate	Implement and routinely update virus protection software; test system; raise awareness by training employees	Implement adequate cyber security or contract with 3rd party provider to assess and implement; ensure adequate router/firewall and virus software protection	Medium	High

\*This is not a full list of risks but is meant to be representative



- ID Risk**
- 1 Privacy
  - 2 Fraud - customer specific
  - 3 Fraud - credit card
  - 4 Data breaches
  - 5 Website outages
  - 6 Spoofing
  - 7 Website vandalism
  - 8 Malicious code

Figure 2: Average Online Shopping Cart Abandonment Rate (Smith C. , 2015)

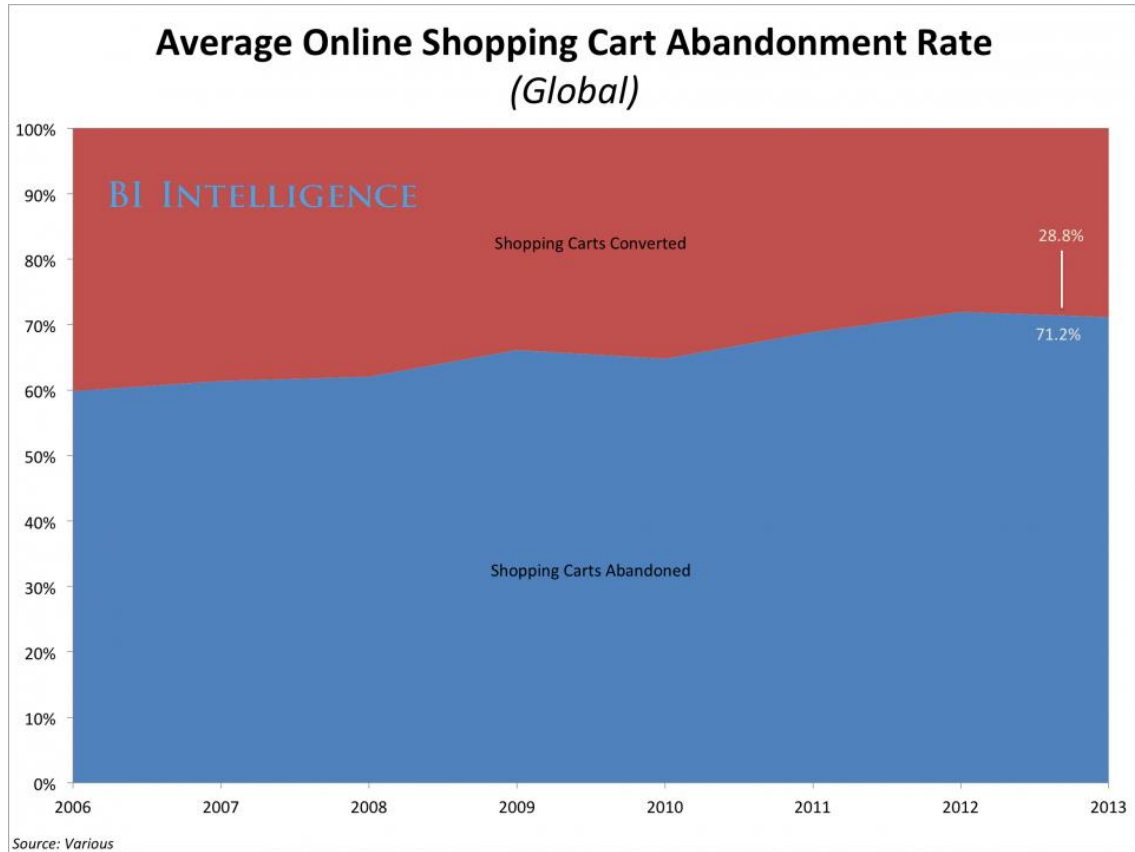




Figure 3: Reasons for shopping card abandonment (Monetate Inc., 2016)

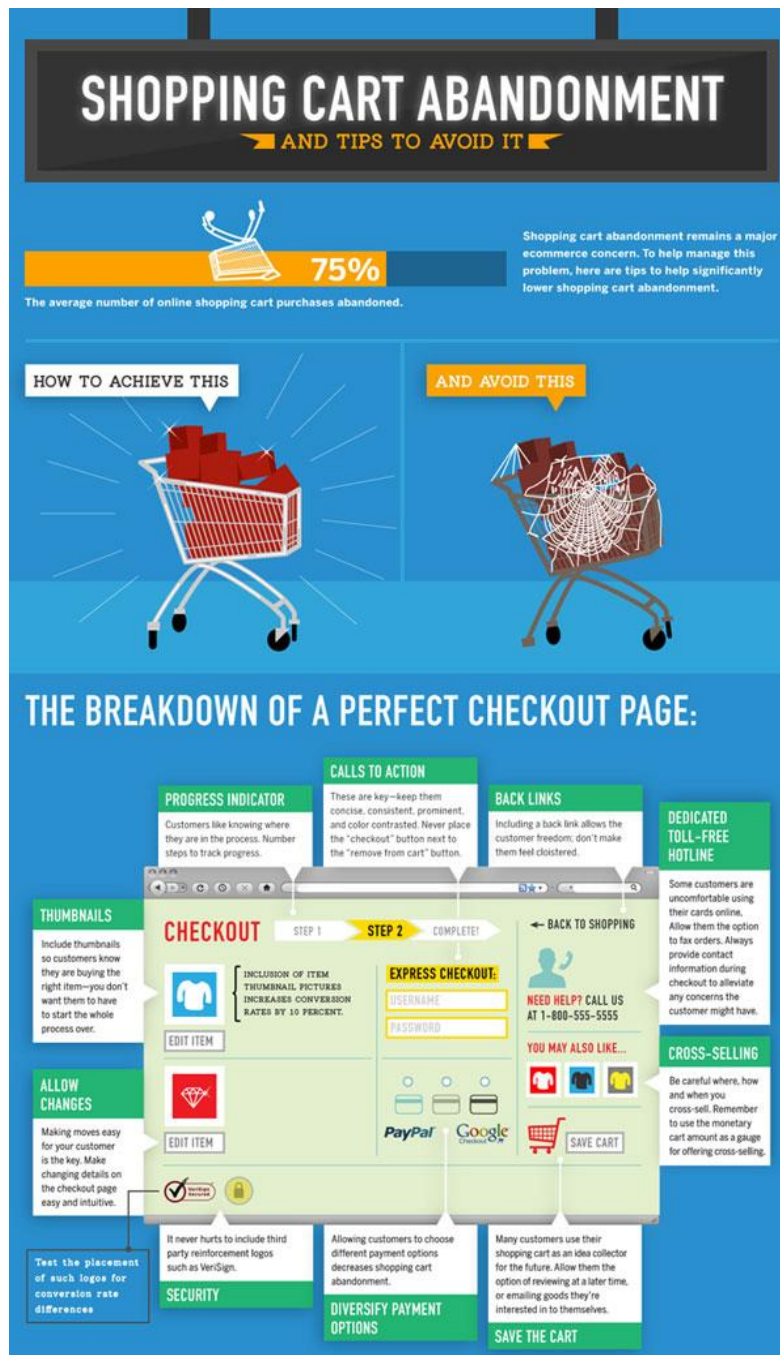


Figure 4: Attitudes to mobile commerce (PriceWaterhouseCoopers, 2015)

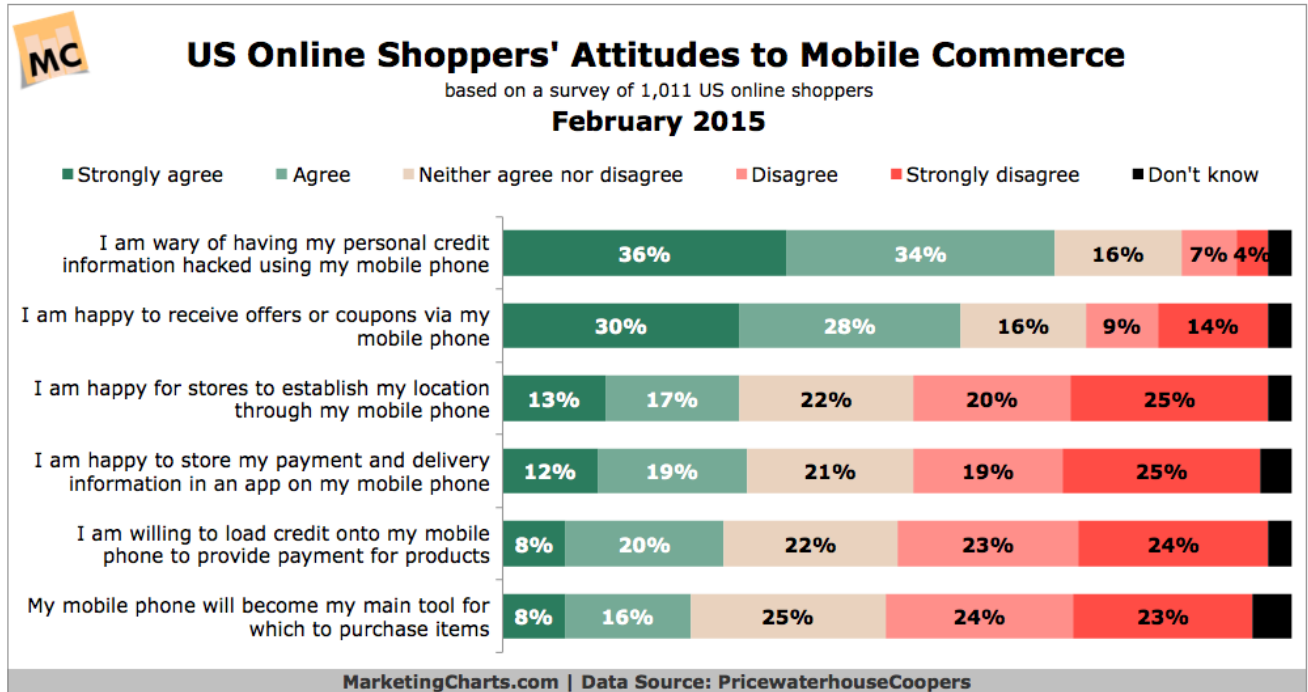


Table 2: ShopFoodEx SWOT

<p><b>Internal</b></p>	<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Strong existing business</li> <li>• Variety of products</li> <li>• Excellent BBB rating</li> <li>• Wide delivery area</li> <li>• Provides services to military</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• No local delivery</li> <li>• Cluttered, antiquated website with poor navigation</li> <li>• High shipping costs</li> <li>• Too much variety of products?</li> <li>• No fresh produce</li> <li>• Limited customer service options for customers – email and phone only</li> <li>• Online ordering only</li> </ul>
<p><b>External</b></p>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Create a “customer experience”</li> <li>• Provide excellent customer service</li> <li>• Large potential market and unmet need for niche online grocery</li> <li>• Expand military deliveries</li> <li>• Implement improved distribution by building warehouse capabilities in key geographic locations</li> <li>• Provide fresh produce</li> <li>• Expand customer service options to include Live Chat and phone ordering</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Competition – lots of it!</li> <li>• Supply chain disruptions</li> <li>• Lack of availability of necessary products/resources</li> <li>• Changing customer preferences and tastes</li> </ul>

Figure 5 Dos and Don'ts of Social Media

### The Do's and Don'ts of SOCIAL MEDIA for BUSINESS

**DO'S**

- Have a PLAN before you start.** (Icon: Document)
- Create Measurable GOALS** (Icon: Target with bar chart)
- Be Consistent**
  - Keep your message on target and stick to your brand.
  - Stick with business messages only.(Icon: Target with arrows)
- Be a good social citizen** (Icon: Person with wings)
- Give GREAT CONTENT** that your network will share. (Icon: Lightbulb)
- Build a Strong Network** (Icon: Network of people)
- Be Engaging** Communicate regularly with your network. (Icon: Speech bubbles)
- Be A Good Listener** Hear what your network is telling you. (Icon: Person listening)

**DON'T'S**

- Build your network too quickly** Besides diluting your network, you could be banned from the site. (Icon: Rabbit)
- Rely on one application** Each application has its own strengths and weaknesses. (Icon: Shopping basket with social media icons)
- Be PUSHY** People will not respond well... remember, everyone connected to you can see what you write. (Icon: Person at laptop with exclamation mark)
- Spam social sites** (Icon: Envelope with 'x1000')
- Forget to thank people** When people promote you to their network be overly polite. (Icon: Person with flowers)
- Try and sell people** Allow your network to discover what you do. **SALE!** (Icon: Starburst)
- Use generic marketing techniques** Make it personal. One size does not fit all. (Icon: Hand holding a shoe)

[www.TheSteelMethod.com](http://www.TheSteelMethod.com)

The Steel Method

Figure 6: Wait Times (Li, 2015)

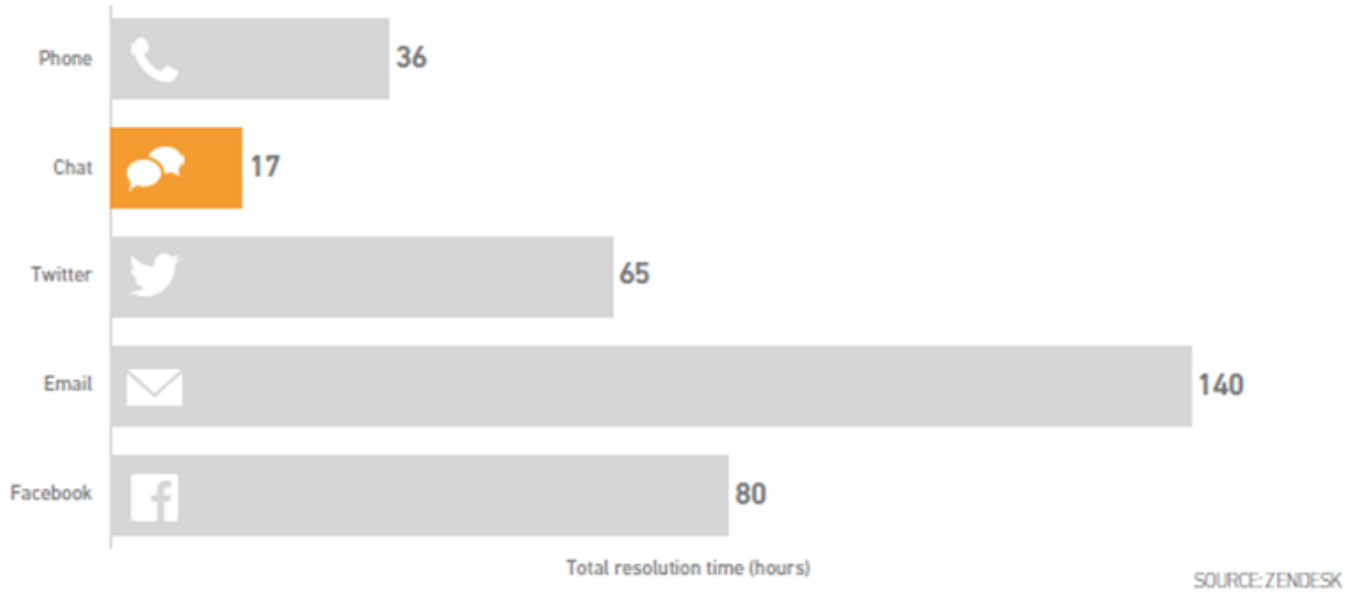


Table 3: Comparison of ShopFoodEx and Selected Competition

	ShopFoodEx	NetGrocer	Instacart	Safeway	Wal-Mart
<b>Primary Market</b>	Online Only	Online Only	Online Only	Physical	Physical
<b>Target Consumer</b>	Convenience Seeker	Convenience Seeker	Convenience Seeker	Physical consumers with online convenience	Physical consumers with online convenience
<b>Website Tools</b>					
Online Order & Tracking	Yes	Yes	Yes	Limited Cities	Limited Items
Email	Yes	Yes	Yes	Yes	Yes
Live Chat Customer Service	No	No	Yes	No	Yes
24/7 Contact Availability	No	No	Yes	No	No
<b>Product Cost Comparison</b>					
			*		
Starbucks Breakfast Blend K-Cups (10 Ct.)	\$11.99	\$12.79	\$9.67	\$10.99	\$11.98 (16 Ct.)
Nature's Own Bread - Honey Wheat (24 oz.)	\$7.99	\$4.25 (20 oz.)	\$3.06	\$2.49 (Oroweat Brand - 24 oz.)	\$2.68 (In store only)
Cheetos Cheddar Crunchy (9 oz. bag)	\$5.19	\$4.49 (8.50 oz.)	\$3.28	\$3.89	\$2.88
<b>Shipping Fee</b>	\$8.99 - \$293.99	\$9.99 - \$624.99	Free - \$5.99 + **	\$9.95 - \$12.95	free-\$4.97+ **
<b>International Shipping Available</b>	Yes Cust. Responsible	Yes Cust. Responsible	No	No	No
<b>Website</b>	<a href="http://www.shopfoodex.wordpress.com">www.shopfoodex.wordpress.com</a>	<a href="http://www.netgrocer.com">www.netgrocer.com</a>	<a href="http://www.instacart.com">www.instacart.com</a>	<a href="http://www.safeway.com">www.safeway.com</a>	<a href="http://www.walmart.com">www.walmart.com</a>
* Varies on local store options and selection					
** Varies on delivery time request, cart amount, and if Express Member					

Table 4: Team Contributions

	<b>Paper*</b>	<b>Website</b>
Houman	Website Design and Consumer Relationship and Supporting Internet Communication Activities	Overall theme, design and structure, FAQs; How it Works
Miriam	Discussion of Supply Chain Activities, Product Distribution and Marketing Consideration, Sales and Consumer Interactions	Contact Us, social media
Patty	Infrastructure considerations (back office, security, shopping cart) + editing	Customer testimonials, company history, Community involvement
Chris	Company info + editing and formatting	Shipping, About us (main page)
Vidal	Company physical and internet integrated strategy issues	Products
* Everyone assisted in creating Table 1: Current vs Proposed Strategy.		