Anna-Leena Hintsala

CUSTOMER RELATIONSHIP MANAGEMENT IN THE UNITED KINGDOM E-COMMERCE

CUSTOMER RELATIONSHIP MANAGEMENT IN THE UNITED KINGDOM E-COMMERCE

Anna-Leena Hintsala
Bachelor's thesis
Spring 2011
International Business
Oulu University of Applied Sciences

ABSTRACT

Companies seeking internationalisation are nowadays engaging themselves increasingly on e-commerce. E-commerce requires marketing, technical competencies and understanding the target area's practices, and a major effort in building customer relationships. Customers can be seen as the irreplaceable asset of any company, which is why a great attention to CRM should be paid to.

This thesis is commissioned by InnoLighthouse, which is a joint scheme of organizations based in Oulu region with an aim to enhance R&D&I on national and international level. The objective of this thesis was to discover how customer relationship is managed on the internet focusing on the e-retailing companies based in the United Kingdom.

The theoretical framework was conducted around the global e-commerce issues and concepts of customer relationship management and marketing to give an idea of issues entrepreneurs face when planning to take part on international e-commerce. Legal and ethical issues were also discussed to explain important and relevant juridical factors when businesses on internet are concerned.

Qualitative empirical part included researches in three forms: conducting interviews with case companies by means of questionnaires, discovering e-commerce regulations in the UK through desktop research, and observing sites to draw up conclusions about the common CRM methods in the UK marketplace.

The results achieved explain that the problems faced by companies engaged in e-commerce are mainly cultural and legal. Cultural aspects are those concerning site adaptation and communication, which need to suit local requirements. By translating the site to English is not enough to attract customers as customer relationship building requires effective interaction on many levels. It was also discovered that CRM functions generally used are those which are mandatory by the law, and usually necessary for transaction to actually happen. Both in Finland and the UK the laws of countries follow the Directives of the EU, which is an advantage for Finnish businesses; practices in e-business are fairly similar making entering the market easier.

TIIVISTELMÄ

Kansainvälisyyteen pyrkivät yritykset kytkeytyvät enenevässä määrin verkkokauppatoimintaan. Verkkokauppa vaatii markkinointia, teknisiä valmiuksia ja kohdemaan toimintatapojen ymmärrystä, sekä suuren panostuksen asiakassuhteiden rakentamiseen. Asiakkaat ovat korvaamattomia mille tahansa yritykselle, minkä vuoksi merkittävä huomio tulisi kohdistaa asiakkuudenhallintaan.

Tämän opinnäytetyön toimeksiantaja on InnoMajakka, joka on Oulun alueella toimivien organisaatioiden yhteistyöhanke ja minkä tarkoituksena on edistää innovaatio- ja hankeosaamista kansallisella ja kansainvälisellä tasolla. Tavoitteena opinnäytetyössä oli selvittää miten asiakkuudenhallintaa hoidetaan Internetissä kun kohderyhmänä ovat verkossa toimivat vähittäismyynnin yritykset Iso-Britanniassa.

Tietoperusta rakentui globaalin verkkokaupan aiheiden, sekä asiakkuudenhallinnan ja markkinoinnin käsitteiden ympärille, jotta saataisiin käsitys tilanteista joita yrittäjät kohtaavat suunnitellessaan kansainvälistä verkkokauppatoimintaansa. Juridiset ja eettiset asiat käsiteltiin myös selittämään Internetin liiketoiminnan kannalta tärkeitä ja asiaankuuluvia lainmukaisia tekijöitä. Laadullinen tutkimustyö tehtiin kolmessa muodossa: suorittamalla haastattelut case-yritysten kanssa, selvittämällä verkkokaupan säännöksiä Iso-Britanniassa, ja havainnoimalla sivustoja jotta yhteenveto yleisimmistä Iso-Britanniassa käytetyistä asiakkuudenhallinnan menetelmistä voitiin luoda.

Saavutettujen tulosten mukaan verkkokauppayritysten kohtaamat ongelmat ovat pääosin kulttuurisia ja juridisia. Kulttuurisia näkökohtia ovat sivuston mukauttaminen ja kommunikointi, joiden tulee soveltua paikallisiin edellytyksiin. Sivuston kääntäminen englannin kielelle ei ole riittävä toimenpide asiakkaiden houkuttelemiseksi, sillä asiakassuhteen rakentaminen vaatii tehokasta vuorovaikutusta monella tasolla. Selvitettiin myös, että asiakkuudenhallinnassa yleisesti käytetyt toiminnot ovat niitä, jotka ovat lain mukaan pakollisia ja usein välttämättömiä kauppatapahtuman kannalta. Sekä Suomen että Iso-Britannian lait noudattavat EU:n direktiivejä, mikä on etu suomalaisille yrityksille: toimintatavat verkkoliiketoiminnassa ovat samankaltaisia, mikä helpottaa markkinoille siirtymistä.

CONTENTS

1 INTRODUCTION

1.1 Background Information

Shopping on the internet has become one of the most popular activities conducted in World Wide Web. Since 1991, when e-commerce became possible on the internet, thousands of businesses have taken part. Presence of Northern American and Western European companies on the internet expanded in start of 21st century after secure connections and electronic payments were developed. Then the customers quickly learned to purchase goods and services from them.

Companies today can conduct business worldwide and thus the global marketplace is being created. Political, cultural, economic and geographical borders may limit the marketplace. When the company wishes to attract consumers worldwide the sensitiveness to these factors is essential and makes succeeding on the internet so challenging. Internet is the new land of opportunities which, in the long run, may possibly become as commonplace a function as any local shopping mall. Therefore it is no wonder that increasingly more businesses want to engage themselves in it wishing to expand customer base and, as the trend today is, become internationalised.

Any business, whether traditional or electronic, needs marketing. It is a fatal error to think that because the business is located on the internet it would not require marketing. Marketing the company site, the store-front where business takes place, is necessary both on and off the internet. Conducting such commerce is not alone sufficient for actually making sales. E-commerce, the subset of e-business, focuses on transactions. In order to obtain the transactions marketing and e-marketing are used as tools to achieve consumer attraction by creating, communicating and delivering value to customers. Having e-commerce business requires not only technical knowledge and competencies, but also a vast effort on marketing, understanding the target area's practices as well as ethical and legal issues and, foremost, seeing the customers as relationships. The effort companies need to make is not necessarily being more competitive on operations, but to know how to compete for customers. Customers are, or should be, companies' most

important asset over the product it is selling or the service it is providing, because customer relationship is the only truly irreplaceable asset of any company. Therefore, customer relationship management is a process, a strategy and an art that any company should pay a huge attention to. Jeff Bezos, the President of Amazon.com, has said that "if you have an unhappy customer on the internet, he doesn't tell his six friends, he tells his 6000 friends" (Sterne 1996, xxi).

1.2 Commissioner

The commissioner for this thesis is InnoLighthouse, which is a three year (2009-2011) joint scheme with Oulu University of Applied Sciences, Oulu University, local enterprises and public organizations. The project aims to enhance both national and international R&D as well as commercialisation of innovations. The project is funded by the European social fund and the State Provincial Office of Oulu. (Oulu University of Applied Sciences 2009, date of retrieval 28.2.2011.)

1.3 Research Problem and Methodology

The main research question in this thesis is to discover what institutional barriers or problems a Finnish company may face when marketing through e-commerce to the United Kingdom consumers. In addition, the functions of CRM important to be taken into account are researched. The purpose of the thesis is to study how the customer relationship is managed on the internet by companies engaged in e-commerce. The focus is set upon small and medium sized retailing companies in the United Kingdom approaching business-to-consumer marketing. In order to understand how the UK market differs from the rest of the world the aspects of global e-commerce issues will also be discussed.

This thesis will be carried out as a qualitative research. Theoretical framework starts from looking into e-retailing in the United Kingdom. After that the CRM and eCRM are defined and comparison between the two conducted. The phases of eCRM are explained in order to get a clearer picture on how CRM may benefit businesses, and eCRM

solutions in relation to whole CRM process explained. Theory continues to aspects which are important to overall customer relationship management; B2C marketing in e-retailing, and legal and ethical issues. Business-to-consumer marketing discusses the trends and facts in global e-commerce, relationship marketing and how to build the customer relationships. Ethical and legal issues concentrate on most common practices and definitions e-retailers should be aware of.

Empirical part of the thesis include three different researches; interviews with two companies, a desktop research about e-commerce regulations in the United Kingdom, and observations about common CRM features in target country. The research aims to discover what challenges companies expect to face on foreign e-commerce market, as well as understanding the practices in target country in order to enter the market correctly.

Based on theoretical and empirical researches the answer to research question will be discussed in Conclusions. In addition, the overall outcome of empirical research results is concluded. In Discussion part the author expresses own critical thinking about the thesis process and its outcomes as well as suggestions for future surveys and limitations of this thesis. The aim of the thesis is to build a theory on how customer relationship management should be performed by a company wishing to expand to the UK e-commerce market.

2 E-RETAILING IN THE UNITED KINGDOM

The United Kingdom is among developed nations where internet access has been long established and number of users is great. This chapter explains the behaviour of the UK consumers on the internet what it comes to usage levels and purchasing habits.

There are 31 million internet shoppers in the United Kingdom and Northern Ireland out of 61 million population. That is 73% of the UK households who have internet access.

Overall spending online by Britons in the last decade is approximately 250 billion pounds. In 2010 B2C online sales totalled £58,8 billion (€70 million). British spent nearly £5 billion online alone in February 2011, which is a 20% increase over the same month in year 2010. The overall increase in internet sales grew 18% in 2010 from previous year. On average British consumer spend 136 pounds at a time on e-retail shops, and online shopping in annum for one consumer counts for £1870 (in 2010). (IMRG. 2010, date of retrieval 7.4.2011.)

The top three sectors that are mostly bought from internet by UK consumers are clothes, beer, and wines and spirits. The goods males purchase the most include music and films, whereas females mostly purchase clothes and sporting goods. The sites visited the most in 2010 from top down include Amazon UK, Argos, play.com, Apple Computer, Tesco.com, Amazon.com, Next, John Lewis, Marks&Spencer and easyJet.com. (Vertical Web Media 2010, Date of retrieval 6.4.2011; Vertical Web Media 2011a, date of retrieval 6.4.2011; IMRG 2011a, date of retrieval 6.4.2011.) Amazon has maintained its number one position since the Hot Shops List by IMRG was first published in 2006. Six of those companies in the top ten list also have a physical store in addition to e-retail shop. Clothing, as mentioned, is the product most purchased from internet but also is the fastest growing sector in e-retailing, whereas electrical goods and travel are those most represented on 100 Hot Shops List (Appendix 1.) (IMRG 2010, date of retrieval 7.4.2011.)

Despite the heavy competition and huge amount of e-retailers in the UK market there is still opportunities for expansion, as the e-retailing is a growing industry. Britons are known to be passionate about shopping on the internet, mainly because it is easy, convenient and can be accessed 24/7. The key point is to create locally appealing and unique web page that will stand from the crowd, and come up with ideas that will extend brand loyalty among customers. Also, when considering marketing point of view it should be noticed that social media is a great channel of marketing. For example Facebook has approximately 30 million users in the UK, and overall visits in social networks in January 2011 accounted for 12,4% of all visits done in internet by British. (IMRG 2011b, date of retrieval 7.4.2011; Vertical Web Media 2011a, date of retrieval 6.4.2011; Vertical Web Media 2010, date of retrieval 6.4.2011.)

3 DEFINING CRM AND eCRM

This chapter aims to provide understanding about customer relationship management and that in electronic means. Differences between the CRM and eCRM are explained in order to avoid getting confused about in which situation the phrases are used as both are part of internet customer service especially in e-retailing. Phases and eCRM solutions are tools helping to create and develop better customer service and therefore managing long-lasting customer relationships.

3.1 Differences Between CRM and eCRM

Many thoughts and definitions are developed to explain what the customer relationship management (CRM) is and what functions it contains. In business today it is difficult not hear the phrase as the focus truly has turned to customers. Some may say CRM is about bringing computerising to business, whereas others prefer the thought in which different tools and techniques are used to create a marketing programme. According to Roberts-Phelps (2001, 2), "*in its simplest form it is an attitude, a mindset, a value that you place on your business and its relationship with its customers.*" The importance of treating customers as individuals should be emphasized together with methods in which to gain customer loyalty. After all, CRM is "*a process of targeting, acquiring, transacting, servicing, retaining, and building long-term relationships with customers*" (Strauss, El-Ansary & Frost 2006, 361).

More formally CRM can be defined as a business strategy that uses IT to provide holistic and reliable outlook of company's customer base, so that company can maintain and expand mutually beneficial relationship with help of processes and customer interaction (Zikmund, Mcleod & Gilbert 2003, 3). The data that is collected from customer base is then used in evaluation of organisation's strategic options. The purpose of CRM is to engage in interaction with customers. Well treated customers will return to organisation to purchase more, and by having several positive interactions they become satisfied customers. At that point customer relationship has been built but managing it

for the long-term is the art for which company CRM strategy is planned. Thus, loyalty of the customer is the objective of CRM. CRM strategy, on the other hand, is built to identify customer's needs, wants and expectations. Shortly defined CRM aims to increase the loyalty of profitable customers and to increase profitability of loyal customers. (Fjermestad 2006, viii.)

When CRM process happens in electronic environment, in this context meaning internet, it becomes electronic customer relationship management, later referred as eCRM. E-CRM software solutions have been developed to integrate all of the company's customer information such as individual's history with the company or credit status. However, the full context of eCRM is much more than storing customer details. It concerns all forms of managing relationships with the customers by providing them a safe environment to purchase from, efficient communication and customer service, and all the necessary information in a target consumer's culturally familiar surroundings. Customer contacts in eCRM include e-mail, internet and wireless technologies in addition to traditional phone, fax and retail store contacts (Chandra & Strickland 2004, 412). Fjermestad (2006, 24), in his book categorises eCRM in two parts; operational and analytical:

> Operational eCRM involves actual contact with the customer through electronic means such as an online Web form or fax. The processing of data collected through operational eCRM is analytical eCRM. Many similarities with traditional CRM process exist, but in addition any customer information that is collected through electronic means for more detailed analysing is part of eCRM function. (Fjermestad 2006, 24.)

The collected data is then working as a tool for segmenting customers and when planning the site's personalisation.

There are some studies on customer behaviour that will help to understand the importance of CRM or eCRM. Only these few examples explain what the company can achieve if customer relationships are considered as a primary focus (Kalakota & Robinson 1999, 110):

- It may cost six times more to sell to a potential new customer than to existing one.

- Dissatisfied customer normally tells eight to ten people about his or her experience.

- If the annual customer retention is increased by 5% it will increase the profit by 85%.

- There is a 15% chance to sell to a new customer, but 50% chances to sell to an existing customer.

- 70% of complaining customers will purchase again if a problem arisen is quickly handled.

3.2 Phases of CRM

The purpose of understanding the phases of CRM is to know how to manage the customer life cycle. In order to have a long-lasting relationship between customer and seller both parties need to commit to it. The three phases of CRM are acquisition, enhancement, and retention (Figure 1.). Quite often companies chooses one of these phases as their main focus, as trying to master them all can prove to be a heavy task. That one main dimension is the leading idea of company's market reputation but does not mean that the two others need to be abandoned.

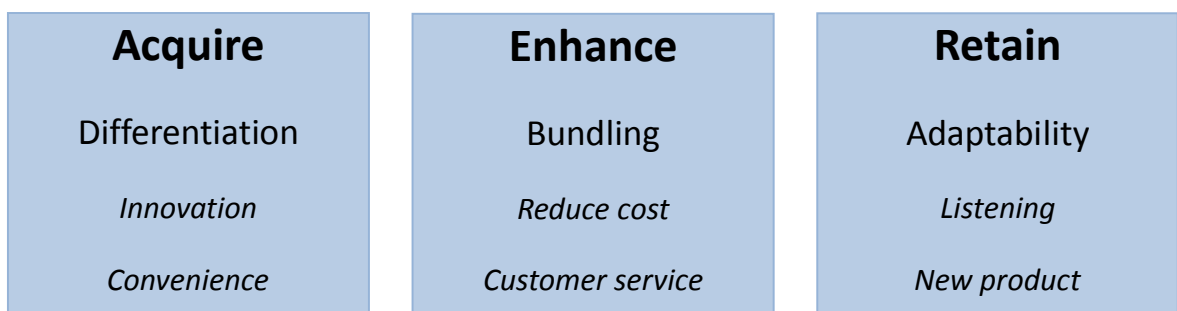| **Acquire**	**Enhance**	**Retain**
Differentiation	Bundling	Adaptability
Innovation	*Reduce cost*	*Listening*
Convenience	*Customer service*	*New product*

FIGURE 1. The three phases of CRM (Kalakota & Robinson 1999, 114)

As mentioned, the first phase is about *acquiring new customers* by means of promotion. Company promotes product leadership with convenience and innovation so that customer gets attracted to superior product that includes also an excellent service. This step involves a lot of careful sales-and-service strategy planning. The second phase in managing the customer life cycle is *enhancing the profitability of existing customers*. This is achieved by encouraging excellence in selling. Customer receives value when purchasing is convenient at low cost. This is achieved when company commits a great deal of time to actually listen to customer's problems, wishes and wants. *Retaining profitable customers* for life is the third step of customer life cycle. Retention focuses on service adaptability, i.e. what the changing customer wants are. The purpose of retention is to work for the best interest of the customer and to lead to customer loyalty. This is especially vital in very competitive environments. (Kalakota & Robinson 1999, 113-116.)

3.3 eCRM Solutions

Kalakota & Robinson (1999, 82), refers to Bill Gates as follows:

> Virtually everything in business today is an undifferentiated commodity, except how a company manages its information. How you manage information determines whether you win or lose. How you use information may be the one factor that determines its failure or success – or runaway success.

It can be stated that today modern businesses needs well-integrated solutions called *enterprise applications*, also called apps, to manage the information. Customer relationship management is one example of enterprise application others including e.g. supply chain management and enterprise resource planning. Especially in e-commerce these integrated applications form an architecture which is a key in serving customers. Seamless buying and fulfilment becomes important as customer expectations increase, and that is when error-free and rapid fulfilment will play an important role in retaining customer loyalty. Internet is such a competitive environment that basically any company conducting business in it will need integrated applications. (Kalakota & Robinson 1999, 82-85.)

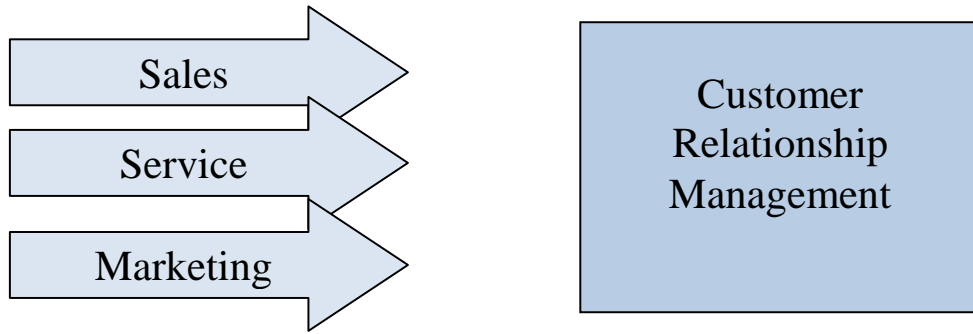| Sales	
Service	Customer Relationship Management
Marketing	

FIGURE 2. Customer-centric integrated apps (Kalakota & Robinson 1999, 93)

Application clusters are cross-functional integrated apps, which represent the foundation of e-commerce (Figure 2.). Such business apps include multiple functions making it a collection of well-orchestrated clusters. (Kalakota & Robinson 1999, 90-93.)

4 B2C MARKETING IN E-RETAILING

This chapter explains the factors necessary to be taken into account by e-retailing companies when planning marketing issues: How global issues affect the choice of target market, what methods can be used to acquire and maintain customers, and how to achieve customer satisfaction and loyalty that eventually will lead to long-term customer relationship.

4.1 Overview of Global Internet Issues

By 2010 there were more than 2 billion internet users worldwide. That is nearly 30% of the world population. Compared to the year 2000 there has been an increase of 400% in number of users. It is estimated that in 2010 the total B2C e-commerce sales were €591 billion, and that it may grown to over trillion Euros in the year 2013. (IMRWorld 2011, date of retrieval 6.4.2011.)

Some market highlights for e-commerce in 2011 are the following (Paul Budde Communication Pty Ltd 2011, date of retrieval 18.3.2011):

- After the recent global economic downturn the growth has started again as the confidence in the world economy has returned.

- Potential growth for Asia Pacific area can be seen ahead which will boost online spending.

- China offers great potential in the future.

- One of the biggest growing regions for global e-commerce is Western Europe.

- Saudi-Arabia is the most important area for web-based businesses in the Middle East.

- Internet's overall share in US retail sales is less than 4% but expected to grow steadily and   reach over $240 billion by 2014.

When selecting market for entry it is common to start by looking the internet access rates and usage levels. Living in an industrialized country people may easily assume that connection exists more or less everywhere, which is not always the case.

> - - Global e-marketers must understand that a country's e-readiness profile significantly influences marketing strategy and tactics. It is important to differentiate between the 20 industrialized nations that hold 90 percent of all Internet users in 2004, and the emerging economies, such as China, that provide great promise in the future. (Strauss et al. 2006, 70.)

Countries that have sufficient financial and economic situation could have by now had infrastructure that enable supporting the internet connections. Still, only a handful of countries were connected to the global internet by 2002. (Kogut 2003, 20.)

TABLE 1. *World internet usage and population statistics (Miniwatts Marketing Group 2010a. Internet World Stats. Date of retrieval 18.3.2011)*

	2010 Population, (millions)	2010 Internet Users (millions)	Penetration (% Population)
Africa	1,013,78	110,93	10.9 %
Asia	3,834,79	825,09	21.5 %
Europe	813,32	475,07	58.4 %
Middle East	212,34	63,24	29.8 %
North America	344,12	266,22	77.4 %
Latin America/Caribbean	592,56	204,69	34.5 %
Oceania/Australia	34,70	21,26	61.3 %
World Total	**6,845,61**	**1,966,50**	**28.7 %**

By looking at the Table 1. the fact that can be observed is that most of the world's population still does not have internet access even yet in 2010. Quite surprisingly, just less than 29% of the world's population is using internet.   The differences between continents are huge.   Africa, with the lowest penetration is just under 11% when comparing internet usage with population. On contrary, Northern America has the

highest penetration rate of 77,4%. Europe has the third highest usage rate, even though the actual number of users is higher than that in Northern America. However, due to a huge population in Asia the number of internet users is the highest with over 800 million users. The penetration is only 21,5% for the whole continent but based on the number of users the possibilities for Asian market cannot be dismissed. As Strauss et al. (2006, 71), mentions:"E-marketers must carefully research each country's current market conditions and environmental factors before selecting specific target for entry".

TABLE 2. Top 10 EU countries by number of internet users (Miniwatts Marketing Group 2010b. Internet Usage in European Union. Date of retrieval 18.3.2011)
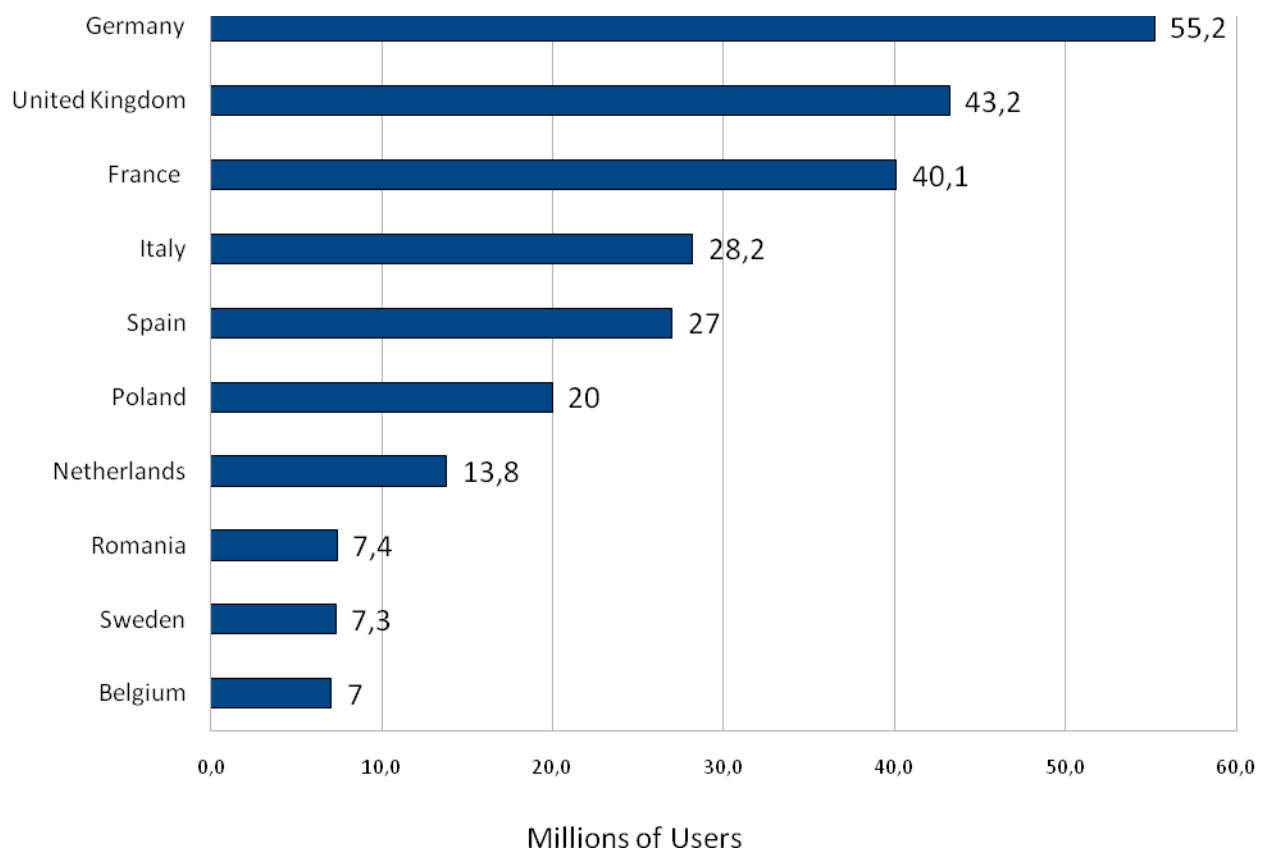
In Table 2. the top 10 countries by number of users in European Union are illustrated. It is not surprise to have strong economic countries, the United Kingdom and Germany, in top where internet usage but also e-commerce has taken a strong position. Sweden, though its population is much less compared to top two mentioned, is on the list because it has the highest penetration rate in the whole European Union. Romania, on the other

hand, has the lowest penetration rate of all the EU countries but because of country's big population the number of internet users is still fairly large.

TABLE 3. Top ten languages on the internet in 2010 (Miniwatts Marketing Group 2010c. Internet World users by Language. Date of retrieval 20.3.2011)
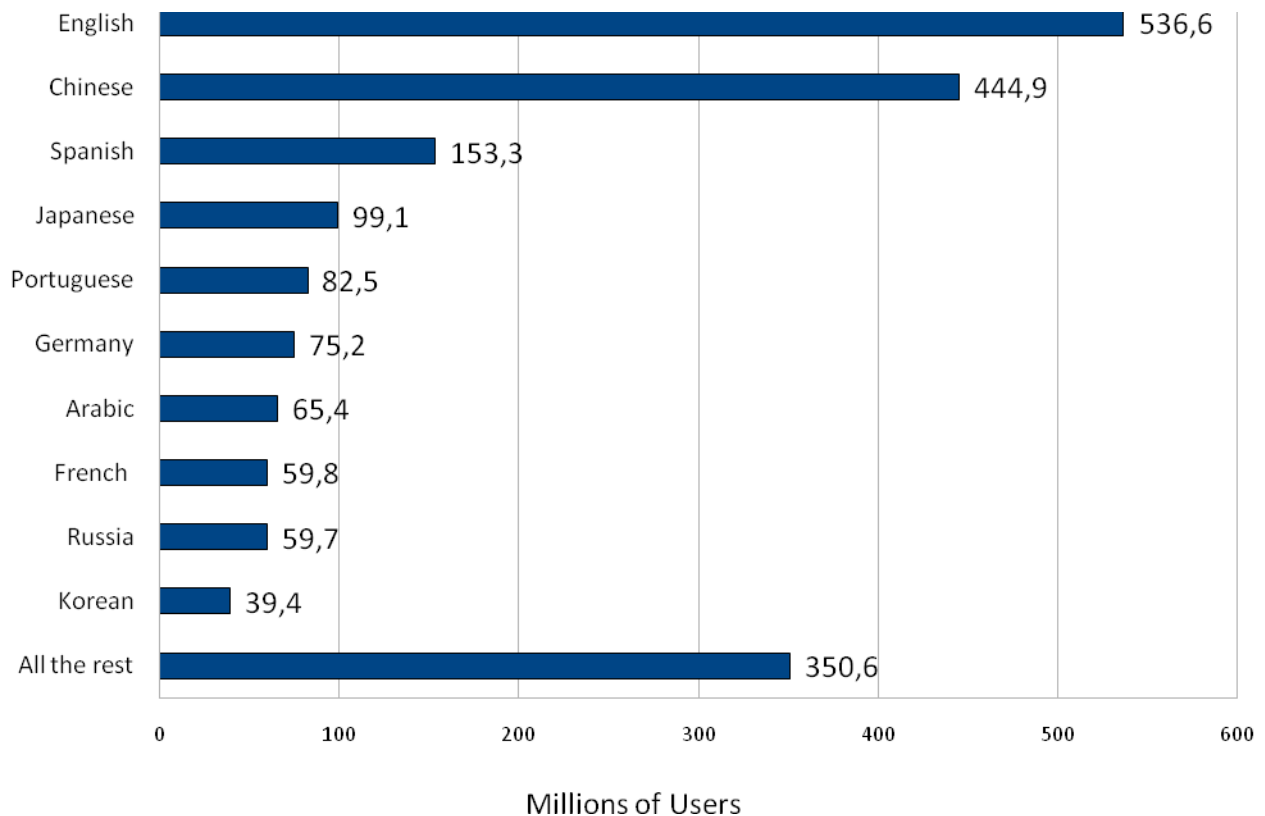
There are more than billion users worldwide in the internet today. The potential markets, as can be predicted from charts above, are not necessarily those where people use English as their language. If language and cultural barriers can be overcome, the opportunities are huge, because it is only 30 percent of the internet population that uses English. (Sweeney, Maclellan & Dorey 2007, 2.) Languages used on the internet can be seen in Table 3.

Emerging markets

There are countries with emerging economies in every continent. The opposite to the emerging markets are developed countries where the high gross domestic product

(GDP) means that citizens of those countries have sufficient income to purchase items that will improve their quality of life. Emerging countries, also called developing countries, have low levels of GDP but are experiencing somehow fast growth in economy. Mexico in Northern America, former Baltic States and Eastern Europe in Europe, all the Central and South American as well as African and most of the Asian countries, and Russia are all considered emerging areas. For now those areas impose the biggest challenge for e-marketers. (Strauss et al. 2006, 71-73.) Potential is huge but possibilities for great e-marketing lies in the future.

Challenges the emerging economies have with e-marketing are for example slow connection speed, internet service provider costs and lack of secure online payment methods. The limited use and acceptance of credit cards in emerging countries is usually the biggest difference compared to developed countries. Credit cards are often issued only to people with high incomes, and sometimes the validity of cards issued is limited to very few countries. Another issue related to credit card usage is that often in emerging countries people find such payment method unsecure compared to traditional ways of purchasing. Online buying is not trusted as much as in developed countries. (Strauss et al. 2006, 74-76.)

"E-marketers must also deal with daunting issues of basic technology: limited access to and use of computers and telephones, high Internet connection costs, slow Internet connection speeds, and unpredictable power supplies" (Strauss et al. 2006, 81). When it is common in developed countries to have desk and laptop computers at home or any community institutions, in emerging countries people often lack of privately owned computers. In addition, telephone connections which are traditionally used as method for internet connection are scarce and expensive in emerging countries. (Strauss et al. 2006, 81-82.) Even when the connection is available through the telephone lines, instead of wireless connection as the case more and more nowadays is in developed countries, the connection speed through them is slow. Speed limits for example the web design, which is why e-marketers should consider the design from the target market's perspective; Fancy Flash graphics with lots of pictures may provide the necessary

"wow"-effect for English user, but would not work well e.g. in Indonesia. (Strauss et al. 2006, 85-86.)

As a summary to this sub-chapter it should be mentioned that there are reasons for internet penetration: income of citizens in target country, infrastructure, computer ownership, price and availability of internet connections as well as cultural traditions. Therefore, careful research to target country's market conditions prior to entry is necessary.

4.2 Relationship Marketing and Retention

"A plan identifying what basic retention objectives will be pursued and how they will be achieved in the time available is considered to be a customer retention strategy" (Zikmund et al. 2003, 88).

In order to understand the strategies of organisation-customer relationship and retention of customers it is vital to know the relationship marketing programs: financial, social, and structural-interactive. These programs aim to make the customer life cycle as long as possible, i.e. the period of time which starts even before a potential customer decides to do business with a company, and ends when the customer decides to stop being a customer and make any purchases. (Zikmund et al. 2003, 84, 87, 88.) Before explaining more about the customer life cycle the relationship marketing programs are first discussed.

Financial relationship

There are buyer programs, such as rewards and loyalty programs, used to retain the customers who purchase the most. These programs are mainly based on financial incentives, for example in form of discounts, product upgrades or prizes worth of money with what the customers are rewarded for their loyalty towards the company. A good example of financial incentive is a bank which gives higher interest rates for those

21

who deposit their money for long period to savings account. (Zikmund et al. 2003, 84-85.)

Social bonding

" A social bond refers to a friendly companionship or an effective tie" (Zikmund et al. 2003, 85). If a company is able to create a social bond with customers it usually means creating a stronger B2C relationship. Social bonding is particularly used by companies selling services where interpersonal interaction between people is easy and natural to realise, for example in form of get-together happenings. (Zikmund et al. 2003, 85.)

Structural-interactive relationship

"Structural-interactive relationships use system design to solve problems, reinforce purchases, and recognize the importance of each customer" (Zikmund et al. 2003, 86). Here the service delivery system plays the key role instead of relationship-building skills of a service provider, as the case often is in traditional commerce. Such personalised benefit for customer could include an electronic thank you e-mail straight after the customer has done the purchase or, chat room facility for customers. (Zikmund et al. 2003, 86.)

Customer life cycle

As explained earlier the customer life cycle is the period in which a person decides to be a customer to the company. Customer life cycle goes through three stages: acquisition, retention and win-back.

At the *acquisition stage* the customer finishes the transaction exchange where parties, the provider of product or service, and the customer, receive something, i.e. benefit. In order not to lose the customer after the first purchase the CRM system is used to identify the customer so that company can offer additional products or services to the same customer in an attempt to receive another purchase. If succeeding in this attempt, the company has achieved the *retention stage*, where at least some customer loyalty has

been created. If, however, the regular customer decides to purchase from competitor, or for some reason not to purchase at all, the company need to start using CRM *win-back strategies*. Company should have a plan for win-back stage in which the customer is pursued to enter into another exchange so that the customer relationship does not end.

4.3 Building Customer Relationships

> In an environment of customer control, with attention a scarce commodity, a firm's ability to build and maintain relationships with customers, suppliers, and partners may be more important than a firm's land, property, and financial assets. It is this relationships capital that provides the foundation of future business. (Strauss et al. 2006, 359.)

When viewing customers the *80/20 principle* is often used. It means that typically 20 percent of the customers purchase 80 percent of company's products. This 20 percent represent the group of loyal customers, who are committed or attracted to purchase from same store, service provider, site or manufacturer. Customers can be loyal to brand, or loyal to relationship they have developed with the seller. Brand loyalty is more of a commitment expressed over time, and may result from previous purchase experiences which are positive due to convenience, price or availability of product or service. "Relationship commitment is defined as an enduring desire to maintain a valued relationship" (Zikmund et al. 2003, 71). Loyal customer shows commitment to relationship and will develop it further as long as that relationship is mutually beneficial to both parties. Loyal customers make repeat purchases and are a good source of 'word-of-mouth' marketing, as they often share their experience with friends and family. No wonder these kinds of customers are the most desirable customers for companies. (Zikmund et al. 2003, 15, 69-71.) Some ideas how loyalty can be achieved are discussed next.

Customer satisfaction is one way to attract customers to repeat their purchase. Satisfaction happens after the purchase if the actual buying performance has been as good as, or better than, the pre-purchase expectations. It may require more than one or

two purchases from same customer before he or she receives a "delightful surprise", which can make a regular customer become a loyal one. (Zikmund et al. 2003, 73.)

A long-term profitable and mutually beneficial relationship with customers is the aim of the companies. When customer receives what is promised by the company the promise fulfilment happens, because customer expectations have been met. When one customer at a time is served so that two-way communication between the customer and seller is realised, the '*1:1 marketing*' is established. Only by doing so the individual customer needs can be found out. (Strauss et al. 2006, 360.) "So, one-to.one marketing is basically a simple idea: Treat different customers differently" (Turban, Lee, King & Chung 2000, 84). One-to-one marketing therefore is more than marketing and selling because individual interaction with the customers is needed. That is a key in building customer loyalty. (Turban et al. 2000, 84.) After all, the e-commerce is build to serve the customers, which is why establishing rapport with the customers, i.e. establishing relationship of mutual trust and understanding and maintain it, is vital for businesses. Long-term relationship will not be achieved without building trust first. Trust exist when a customer can rely on the organization to perform its stated functions, and is achieved by being honest, fair and responsible, by keeping promises, and communicate openly. (Zikmund et al. 2003, 75.)

Knowing how to use the customer's history with the company is one part of building customer loyalty. CRM systems are designed to focus on individuals' purchasing history, and such information should be used to serve the customer better. When customer has purchasing history, he or she also has a service experience history with the company. Having positive interactions with company creates loyalty, but for example unsatisfactory resolution in complaint situations would not. (Zikmund et al. 2003, 76.)

As important as knowing what factors may increase customer loyalty is to know what factors may lessen it. One such thing is existence of *competitive parity* which means that the products or services of another company are basically identical. That kind of situation may result in brand switching. Also, some customer may search for variety as a result of becoming bored and wanting new experiences. *Variety-seeking behaviour*

can, however, be good if the company is targeting such customers by creating extensions of the basic product. Thirdly, there are *low involvement* customers that are difficult to attract to become loyal. People with low involvement tend to settle for "good enough" product or purchasing experience, are price sensitive, or just not particularly interested in product category. (Zikmund et al. 2003, 78-79.)

Web is available around the clock which is why the service for customers must be enabled all the time, *24/7*. In e-commerce providing the service with people would be too expensive, but by providing necessary information the customers can find solutions themselves, despite being on different time zone and accessing web sites around the clock. (Sterne 1996, 16.) There are methods of customer conversation which are of major importance in building customer satisfaction. Customers need to receive information they request, or find answers to problems. The most common examples of customer conversation methods are explained below, and they include FAQ, e-mail and chat.

One of the most expected documents customers expect to see on company Web site is the '*Frequently Asked Questions*' (FAQ) page. FAQ works as an introduction, and includes important information about matters that are most frequently asked by customers. Delivery methods, shipping time and costs are probably always good to include if items are to be delivered. Providing information about warranty will reflect company's reliability. Some companies provide more precise and different list to registered users only. More details about whom to contact for example in technical problems may be included. The better the FAQ page is thought and organized the more time is saved. FAQ page must be easy to find and navigate, and answer the expected questions in the most frequently asked order. It is also advisable not to have too short list because it won't be much of a help. (Sterne 1996, 24, 26-27.)

E-mail is a powerful tool in customer conversations. Despite the time a consumer can get the question out from chest while it is still fresh and will not be forgotten, and receiver can reply when available and prioritise the tasks according to content of messages he or she receives. E-mail is customer's voice and connection to outside

world, which is why it should not be mistreated. Comments, questions and complaints all should be replied with care, and information from them give great information to customer service department. E-mail is not spoken word nor is it written; it is somewhere in the middle. Though company should provide e-mail policy in which manner e-mails are written. Too informal style may give unprofessional impression, casual tone may be misleading. The rules applied to phone manners can be used also to e-mail communication. (Strene 1996, 54-55.)

Chat rooms can further customer loyalty as well. In chat rooms customers can share information with other customers, or with company representatives. Messages in chat rooms are changed in real time. Having chat rooms can help in building a community who share the same interest. It is also a good way in building 1:1 relationship with customer, as well as a channel for promotional means. (Turban et al. 2000, 90, 127.)

5 LEGAL AND ETHICAL ISSUES

This chapter explains the main factors included in legal and ethical issues. The point important to understand is that there are guidelines and legal frameworks which guide in these important issues and provide protection as well as rights and liabilities for parties involved in transaction of goods. Existence of electronic commerce is so new that the legal and ethical issues are still evolving. Ethics and legal issues should be treated as closely related, because ethics sometimes influences the law makers therefore contributing to legal developments.

"Ethics is a brand of philosophy that deals with what is considered to be right and wrong" (Turban et al. 2000, 342). The difference between ethical and legal issues is that what is ethical is not necessarily illegal, though it might be considered "wrong". What is ethical can also be considered differently in different countries; for example privacy issues may be very differently understood in Western cultures than in Asia. Up until 1998, before European Community Commission placed guidelines to all its member countries, the information was not freely moved between countries due to different privacy practices. Since guidelines were issued the countries have had the same rights for individuals to access and correct information about themselves. Though the thought may differ at least the following are categorised as being ethical issues: privacy, accuracy, property and accessibility. Similar issues are present in legal framework. For example privacy, intellectual property, free speech, taxation, consumer protection and validity of contracts are issues to be taken into account in e-commerce. (Turban et al. 2000, 342-343.)

Privacy

"The concept of privacy encompasses both ethical and legal aspects" (Strauss et al. 2006, 104).

Privacy deals with information about individuals, how it is collected, stored and disseminated. Privacy is also about individual's right to decide to what extent

information about themselves is given to others. Having said that, Turban et al. (2000, 344), states the two rules that should be taken into account: Firstly, the privacy needs to be in balance with the needs of society, so it is not absolute. Secondly, Public authorities' right to know is over-ruling the individual's right of privacy.

European countries, Canada, United States and some other countries, uses the five principles as a guideline in collecting and disseminating the personal information. These are (Turban et al. 2000, 347-348):

1. *Notice.* Before collecting the consumer data the consumer must be informed, i.e. given notice about it. Consumer need to be given that notice so he or she can decide whether the intention for collecting such information is correct.

2. *Consent.* Consumers need to know how the information about them may be used in primary and secondary purposes.

3. *Access.* Everyone whose information has been collected has the right to access that data and correct the validity of it.

4. *Security.* Security and accuracy of the data must be assured to consumers. It is the responsibility of party collecting the data to make sure that data is protected from loss, unauthorized access, destruction and fraudulent use.

5. *Enforcement.* Government intervention, legislation for private remedies or self-regulation must be used as a method of enforcement and remedy.

Property

"Intellectual property is the intangible property created by individuals or corporations, which is protected under copyright, trade secret, and patent laws" (Turban et.al. 2000, 352).

Copyright seem to be the primary way to protect expressions on the internet. However, it only protects the things that can be perceived by sight or sound, and not for example the ideas and concepts. Potentially copyrightable property which has commercial value

can be protected by copyright. Examples of what can be included under copyright protection are the following: printed materials i.e. marketing material, contracts, customer lists, technical information and policy guides; still photographs, film and video materials and both employee and customer training and education; computer software whether it is for internal or commercial use; art work and graphics used for e.g. logos; maps, charts, models, and any drawings and designs.

The World Intellectual Property Organization (WIPO) develops accessible international intellectual property (IP) system. It is a specialized agency of the United Nations, with which the European Commission is responsible to conduct negotiations to contribute to economic development, and also to safeguard the public interest. (World Intellectual Property Organization, date of retrieval 23.3.2011.)

Trademarks

"Trademark law is concerned with the ownership of intellectual property that identifies goods and services" (Strauss et al. 2006, 112). This law is now applied also to internet naming system, which is domain names including Web sites and e-mail addresses (Strauss et al. 2006, 112-113).

The company name is the company's trade name also, but not necessarily its legal name. The names of products and services are trademarks. A Trademark should not be mixed with trade name: The Coca-Cola Company is a trade name, and its product 'Coke' is a trademark. (Gonyea & Gonyea 1996, 105.)

Online contracts

"A legally binding contract requires a few basic elements: offer, acceptance, and consideration" (Turban et al. 2000, 365). Establishing these issues becomes difficult when contracting online because there is no existence of human presence.

Online offer describes the goods or services which will be delivered if the consumer accepts the terms. Consumer can review the terms and can consider whether to accept them or not. The buyer agrees to the terms of conduct quite often for example by clicking the "I agree" button. This method is called "Click-wrap contracting". It is advised to use solicitor to examine the contract to avoid possible contractual problems. (Turban et al. 2000, 365-366, 375.)

The European Union's Data Protection Directive first took effect in 1998. EU legal system for the protection of personal data is currently undergoing modernising by The European Commission. The new framework will meet the challenges of globalisation, strengthen individual's rights and reduce administrative formalities. Legislation will come into force in 2011. (European Commission 2011, date of retrieval 23.3.2011.) In addition, the EU's Consumer Rights Directive is also undergoing changes. Proposed amendments aimed at strengthening the consumers' rights when purchasing from e-retailer have been approved and waiting approval from two other EU bodies. If approved, the consumers will have more time to change their minds about the purchase. The merchants, on the other hand, will have less time to issue refund; 14 days from current 30 days. The same directive also implies than if the retailer is based in EU they must do business with consumers in any EU nation. That would mean that retailers cannot actually decide which country within EU they sell to. The amendment explains that goods must be delivered to buyer if it is "technically feasible", though it is not stated what constitutes "technically feasible". The reason for these changes is that according to e-commerce industry group there are too many variations among EU countries about these regulations. The final vote for new Directives is scheduled to be done in 2011. (Vertical Web Media 2011b, date of retrieval 7.4.2011.)

6 EMPIRICAL RESEARCH METHODS

The research part is conducted by means of qualitative research. Object was to find out information about United Kingdom's eCRM features and overall regulations, as well as businesses interests in international e-commerce in general in order for any party considering such step to gain some help in building their entering strategies. Different views were selected so that overall idea and valuable information about UK practices would be provided.

Interview was selected as one approach and the two respondents found with a recommendation from the commissioner. Interviews were carried out by means of questionnaire (appendices 2 and 3), which were conducted in Finnish and sent by e-mail to parties involved: MedKit Finland Oy, and BusinessOulu managing the Vercco - project. All the questions were open-ended so that the person answering could choose the length and depth of the answers, as well as whether to answer or not, themselves. All the questions in both cases were answered.

MedKit Finland is an individual company which was chosen for interview because of company's willingness to expand business to international markets. Company had already done plans and researched possibilities for e-commerce abroad so their view and experience about the process was considered valuable information. The owner and the CEO of MedKit Finland Oy, Minna Åman-Toivio, answered questions regarding company's interest to aim business activities to foreign e-commerce markets. MedKit is importing, selling and marketing first aid equipments and operates as an e-commerce to Finnish market as well as collection stock for instance to ambulances and police forces. (MedKit Finland Oy 2010, date of retrieval 17.4.2011.)

Vercco is an e-commerce service network project which aims to enhance the adoption of e-commerce among Finnish businesses. The project is managed by BusinessOulu department of City of Oulu, Finland. Questions about international e-commerce activity

were answered by the Project Coordinator Antti Moilanen. (Vercco 2011, date of retrieval 17.4.2011.)

The second part of the empirical research was focusing on main directives and regulations guiding the e-commerce in UK as they play important role in setting up and running any e-commerce and would affect CRM functions operated by the company as well. This part was conducted by means of desktop research and the object of it is to provide such information that would help in understanding the jurisdiction of target country, which as being a member of European Union has several points of view to be taken into account.

The third research is carried out by visiting and observing various e-commerce sites based and targeted to UK market so that the common web-based CRM features in UK e-shopping sites would be found. All the sites researched are business-to-consumer sites, and among the widely known retailers, so the practice in them in supposed to be according to British standards and rate of visitors high. The purpose is to discover if it is common that companies leave some quite essential information out and which features are more used than others. That would explain what UK consumers are familiar with and what their expectations from e-commerce site are.

7 RESULTS

The results part includes three sub-chapters according to research in question. First the results from interviews are discussed. Secondly the findings from UK regulations explained, and finally the common CRM functions presented from various UK e-commerce sites examined.

7.1 Interviews with MedKit and Vercco

Questionnaires were sent to participants on 5th of April by e-mail following the enquiry about their willingness to take part. Both participants were cooperative and also willing to provide additional information if needed. Answers were received on 13th and 15th of April and in both cases all the 15 questions were answered. Questionnaires (appendices 2 and 3) were tailored to both but followed the same structure. Findings from the answers are translated to English.

MedKit Finland Oy

As earlier explained MedKit operates in field of first aid equipment providing them currently to Finnish markets. Company's purpose is to expand to international markets and the one main reason for that is the possibility to grow the business. The markets which interest the company the most are the Central Europe and the Arab Emirates, but foremost the Nordic countries. Markets found least interesting at the moment include the USA, Canada and Australia partly due to unfamiliar jurisdiction, such as use of society lawsuits.

According to Minna Åman-Toivio, the Owner and the CEO of the company, opening the e-commerce abroad is both challenging and demanding, but anyway possible if you have learned the culture of the target country. While planning the opening of e-commerce abroad the company has experienced some problems, indeed, with local jurisdiction. The other challenge Åman-Toivio mentions is that replying by phone and

also electronically should be a function executed in target country. Other challenges she thinks they still may face include the lack of knowhow in cultural issues and payment methods in target area, as well as lack of time. Due to arisen problems with shortfall of information the start-up of the business has delayed. Therefore, the major issue for MedKit is to understand the entirety.

When customer relationship management is considered MedKit plans to use own ERP system called Nova and Google as a tool for marketing. Outsider help is definitely believed to be needed for instance in technical issues, translations, jurisdiction and contracts in general. The help they have received so far include Google in marketing and Faarao which takes care of the technical realisation. Åman-Toivio states that advice from entrepreneur succeeded in issues mentioned here would be beneficial.

Vercco

The depth of the answers received from Antti Moilanen, the Project Coordinator of the Vercco -project, was very specific as can be expected due to large number of companies involved in project who all may have different approaches and ideas about extending e-commerce abroad. By the time of the interview 28 companies had taken part to the BusinessOulu's Vercco -project, from which 18 companies had made concrete plans to approach international markets.

When asked about main reasons pushing companies to foreign markets Moilanen summarises that they are growth, profitability and possibilities which thrive businesses. Markets in Finland are limited especially now that foreign e-commerce businesses are entering Finnish market. Competition is tightening which is why internationalisation should be seen as possibility. E-commerce is often considered the easiest and less risky channel to try foreign markets.

Expectations among the businesses are many. The challenge for Vercco is to explain the possibilities in a clear manner so that entrepreneurs themselves start believing in their potential. It is often thought that when operating business from Finland it is almost

impossible to compete on prices or that being a Finnish company may not sound attractive enough to foreigners. Entering any market should be well planned. According to Moilanen, businesses in general are careful but also rational, which is why some companies find it too troublesome to start approaching international markets. Having said that, some entrepreneurs may have expectations too high believing that because internet is global the e-commerce there is global too as long as the business language is English.

As the case was with MedKit also Moilanen states that Nordic countries are considered most attractive market to enter, especially Sweden. Swedish market is seen as easy and most familiar as well as secure, and logistics, payment transactions and customer service believed to be easiest to realise. Another reason is the similarity with Finnish consumers which means same methods with selling. The next popular target market is Russia, St. Petersburg and Murmansk especially. It is the huge potential in number of consumers which attracts, but also the fact that digitalisation and use of internet is rapidly increasing enabling the fast growth of the e-commerce businesses. Moilanen explains that many companies already with presence in Finnish market have not yet approached Russia, which is why the market is very tempting. Finnish products and businesses have good reputation in Russia, and logistic connections for example from Oulu to Murmansk long established. In addition to Sweden and Russia some companies have specific interests in country selection. The Central Europe, the Baltic States and Benelux countries are among those due to demand issues of specific products. Areas companies find most challenging to approach are the Middle East and Africa, though nothing is totally excluded from planning. It is a question of prioritising, i.e. in which order internationalisation is pursued.

Problems companies most often come across with concern payment transactions and logistics. In Russia the barriers also include certification procedure and customs practices. Usually the issues are country specific and more challenging if the target area is not an EU member state. Moilanen specifies that it is possible to react to problems and barriers for example by doing benchmarking and researching beforehand. However, at some point it is better just to put plans into actions and learn from mistakes but at the

same time control the risks. In addition to problems already mentioned the biggest challenges for companies according to Moilanen's experience are sufficient resources and perceiving the overall picture. One single function that should be mentioned as a challenge is marketing. The resources put towards marketing are often insufficient, separate marketing strategy lacks of existence and cultural differences in marketing sense overlooked.

The CRM tools used are normally those belonging to e-commerce or integrated CRM applications. Marketing methods vary a lot depending on company: search engine marketing such as optimisation and search word; advertising; Facebook mainly in social media marketing; e-mail; and traditional marketing through television and radio. The variety is large but the extent to which these channels are utilised varies a lot and monitoring the effectiveness of marketing campaigns inadequate.

Companies approach Vercco for help in many stages of the process: right at the start of the planning or when needing guidance for development. Sometimes the need is focusing purely on marketing but if the company is on the planning stage the help required involve all the functions of e-commerce process.

7.2 Methods of CRM Common to the UK E-commerce Marketplace

By setting up a table where the main eCRM features are listed was considered a clear and informative way of explaining the results of this research. In Table 4. the features examined and the findings can be seen. 'Number of sites' column explains how many of the sites examined had the feature mentioned. The total number of sites observed was 20 (appendix 4.) and the list of companies include retail shops which offer online order service for consumers with offerings including for example books, clothes, computers, health products, music, pet products and travel services.

TABLE 4. E-CRM Features commonly used in the UK web sites

E-CRM Feature	Number of sites (out of 20)
Chat	8
Customer service phone number	15
Complaining ability	19
Company profile and history	19
Delivery options and costs	19
E-mail (address in writing)	11
FAQ page/list	13
Fax	6
Links (external)	6
Local search engine	18
Mailing list	17
Membership	18
Member benefits	10
Payment options	20
Postal address of the company	19
Product information	20
Product preview	20
Privacy policy	17
Return or Refund policy	19
Request for cataloque	2
Security policy	17
Site map	17
Terms & Conditions	17
VAT number of the company	13

In order to understand the functions mentioned in Table 4. the meanings of some of them are explained below.

Chat allows a person visiting the site to interact with company representative, or sometimes also with other visitors in real time.

With a *complaining ability* visitors can log in their complaints or problems. This page often includes options from which the visitor can choose the category to what complain refers to.

On *FAQ* page the frequently asked questions are displayed with answers.

Links are external links to other web sites, for example to affiliates web sites, or complementary products.

Local search engine is used to locate a specific product or information from web site by entering a keyword.

Mailing list is used to share company news or for example to give offers to customers by means of automated e-mails.

When signing for a *membership* a visitor request for a password with which he or she is allowed to protected members only pages, and often is required before purchasing online from the company is possible.

Membership benefits explains the reasons why signing for a membership would benefit the visitor.

Payment options list all debit and credit cards and other means by which a purchase can be paid by the customer.

Privacy policy refers to law, and explains how the company gathers, uses and manages customer's data. This policy can often be found under security policy.

Return policy, which often is presented together with refund policy, explains what happens if the customer decides to cancel the purchase or return received goods. It states the liabilities of both parties involved in transaction.

By selecting *request for catalogue* a visitor chooses to receive a product catalogue on a printed or electronic version, depending which options the company has.

Security policy refers to systems that company uses in order to make sure the web site and all its functions are secure to use. The document states all the measures the company undertakes to protect sensitive company and customer information. Privacy issues are often included under security policy.

Site map displays all web pages on site in hierarchical order and in clear manner. It is sometimes called 'site index'.

Terms and conditions (T&C) state the liabilities and responsibilities of parties, the seller and buyer, if a purchase is done.

VAT (value added tax) number of a company indicates that a company is VAT liable.

Other features which at times came across while researching the sites, but which are not included on table 4. were legal information page, affiliates, press releases and media contacts, safety of the products and product categories.

7.3 The United Kingdom E-commerce Regulations

The European Union Electronic Commerce Directive (2000/31/EC) was adopted in 2000 to clarify and harmonize the online business in Europe. Aim of it is to boost consumer confidence, and also provide legal certainty for both businesses and consumers. Issues established in the directives include transparency and information requirements, commercial communication, electronic contracts and limitations of liability for intermediaries. Awareness should be kept for the fact that EU is obliged to re-examine the Directive every two years. (European Commission 2010, date of retrieval 4.3.2011.) By being an EU member the United Kingdom will naturally follow these sets of rules, but also have country's own E-commerce Regulations implementing the EU's E-commerce Directive. Virtually every commercial web site in UK is covered by the E-commerce Regulations. The Regulations, formally called as Electronic Commerce (EC Directive) Regulations 2002, refer to an information society service, where the vital point is to remember that Regulations look at where a business is based instead of where its equipment is based. (Pinset Masons LLP 2010a, date of retrieval 8.3.2011.) Therefore, if business is managed from Finland, but the service, i.e. the e-shop, is published and conducted in the UK then the Regulations are applicable.

According to Consumer Protection under Finnish Law any e-commerce conducting business abroad by means of attracting and focusing sales to specific foreign market is prohibited to follow the Regulations of the consumer's country of residence. Still, those businesses are not freed from the law of Finnish consumer protection either if the place of entrepreneur is located in Finland. When the information provided in the e-commerce web site is, in the UK's case, in English, then the marketing is attempted to UK consumers and therefore the UK E-Commerce Regulations are applied. Entrepreneur, as a result of this, cannot issue a law suit at its home country, but it will be placed in the home country of the consumer. Consequently, the consumer can issue a law suit in his

or her home country. (Kuluttajavirasto 2007, date of retrieval 8.3.2011.) This is extremely important matter to think especially in consumer contracts. The UK E-Commerce Regulations do not apply the country of origin principle to the terms of consumer contracts. It means that e-commerce site based in the UK has the terms and conditions that should meet the laws of every member state in which consumers can buy company's products. For example, if the web site is translated also to French, it is assumed that the French consumers are targeted as well, in which case the French consumer laws are applied to French customers. Other exceptions to the country of origin principle include copyrights, electronic money, real estate transfers and unsolicited commercial email, i.e. spam. (Pinset Masons LLP 2010a, date of retrieval 8.3.2011.)

Information to be provided

There are some information that should be provided in e-commerce site at minimum in clear, easy to find and permanent manner. The following list includes those that should be available for consumers (Pinset Masons LLP 2010a, date of retrieval 9.3.2011):

- The name of the service provider

- The e-mail address of the service provider.

- The geographical address of the service provider

- If a company, the company's registration number

- If member of a trade or association, the registration number and membership details

- VAT number of a business

- Clear and unambiguous prices and whether inclusive of tax and delivery costs

Also, some prior information according to UK's Distance Selling Regulations should be included. In addition to those already mentioned in web page the following information should be presented in a clear and comprehensive manner (Pinset Masons LLP 2010b, date of retrieval 9.3.2011):

1. Supplier identity where the contract requires payment in advance, and the supplier's address.

2. Main characteristics description of the goods.

3. The price of the goods including all taxes.

4. Delivery costs

5. Arrangements for payment, delivery and performance.

6. Existence of a right to cancel.

7. The cost of the call before charges if premium rate phone number is needed to be used.

8. Price validity period.

9. Minimum duration of the contract, if the contract is to last a permanently or recurrently.

10. Information about substitute goods.

11. Notification that the supplier will meet the costs in case of returning or substitute goods.

8 CONCLUSIONS

The aim of the empirical research was to discover the institutional issues Finnish companies may come across with when attempting to enter the UK market and the guidelines for the CRM methods common to UK e-retailing. Theoretical framework focused on explaining the general idea about CRM and its importance to businesses as well as B2C marketing functions in e-retailing which all contribute to empirical research carried out. Questions sent to companies taken part in the interview were formed in order to understand the current expectations of companies wishing to internationalise and result of it explains the barriers and problems companies need to overcome. Research on UK E-commerce Regulations complements those findings because it provides information about legal issues not to be missed. Research done on CRM methods common to UK e-commerce would help overcoming some problems companies may fear because by understanding what is expected by consumers and preparing for them gives confidence to succeed and clarity to planning. Conclusions about the theory and empirical research are discussed next.

Theoretical part started from discussing the current situation of e-commerce in the United Kingdom. When thinking about how attractive companies find the UK market the theory gave solid understanding that e-retailing in the UK is growing industry with huge amount of potential customers. Keeping that in mind the market should look fairly prospective and English used as a language can be easier to approach than many others, for example Chinese which definitely would be required if opening site for Chinese customers. 31 million internet shoppers in the UK sound very attractive and even if the consumer base with that would be enough the 18 % annual increase (2009-2010) in internet sales makes the potential to succeed possible. Although all things positive to the UK market makes it very appealing it should not be forgotten that the market attracts many other businesses as well. Competition is fierce and standing out from the crowd can prove to be a challenging task. Web page must be designed so that it is unique and appealing to target audience, and which provide something extra that will attract consumers and extent their loyalty towards the company. Marketing is playing a key role in huge mass of e-retailers. Finding correct channels and providing clear and

interesting messages is tough task to do but a necessity if a company wishes to obtain visitors to site. Social media is increasingly important channel in marketing function and if as many as over 12% of internet visits is done on social networks it would be advisable to include that in marketing strategy.

It cannot be emphasised enough what significance the customer relationship management has in overall business activity. Some may prefer referring it as customer relationship marketing, because the features of CRM involve marketing company site, relationship with customers and all forms of interaction between customer and seller which involve communicating to customers on many levels, just like marketing in general. As mentioned in section 3, the purpose of CRM is to engage in interaction with customers and with that achieve the objective, i.e. loyalty of the customer. Research part included observations on various UK based web sites from which many conclusions about CRM features common to UK market can be drawn up. However, it should be remembered that the sample was just 20 sites so the findings from Table 4. are only directional.

The first thing that is visible in Table 4. is that the payment options, product information and product review were those used on all the sites examined. This can be explained so that in e-retailing these features are more or less a must in order for transaction to happen. Using specific method of payment may involve additional costs to purchase price and as the cost of the purchase is obligatory function for companies to provide it is a necessity that this feature is shown to site visitors. Product information and review are important because buyer cannot physically judge the quality of the product and therefore sufficient information about the product can be a key factor in customer's buying decision.

Other features displayed on 18 or 19 of the sites examined include company profile, complaining ability, delivery options and costs, postal address, signing for membership, use of local search engine and return policy. Many of these are functions that serve customer's interest on company and convenient shopping experience. Transparent activity from company can be an important issue when a customer considers its

reliability and trustworthiness which probably explains the extensive use of these features.

Features used least in sites in question are possibility to request a catalogue, fax number of the company, links to external sites and chat. These additional features can complement the buying process or, like chat, increase customer's loyalty with the company. However, it is probably not surprise that these features are not extensively used as they are optional and not necessarily among the important ones what it comes to attracting potential customers.

It can be sometimes challenging to find some features from sites because they might be behind many clicks or in a place a visitor would not necessarily look for them. While researching this was the case for example with company e-mail address and VAT number. These are both included in the list stating the features that should be made available on site, but many companies do not necessarily wish to use e-mail as main channel for enquiries or customer feedback which is why such information is basically hidden. VAT or registration number of the company is sometimes even harder to find. There is no specific place for it unless it is mentioned on the footer of the site, and so can be found for example from terms and conditions, press page, company information or security policy.

In section 4 it was mentioned that 20 industrialized nations hold 90% of all internet users. It is obvious that the UK is among those, which means more things that make the UK market attractive: no problems with connection speed or secure payment methods. Not having to worry about such things makes it easier to design the site and perform in similar way as e-businesses would do in Finnish market. Therefore, transferring the existing site in Finnish market to British market is in that sense fairly easy. Ethical, and especially legal issues on the other hand provide the biggest challenge for e-retailers and even more so if the operations are run from abroad. Privacy, property and online contracting are probably the most important ones which often require outside, i.e. solicitor help in order to avoid problems which may end up in claims if conducted incorrectly. Information about IP system guidelines can be received from World

Intellectual Property Organization, whereas the EU's Data protection and EU's Consumer Rights Directives as well as UK's Distance Selling Regulations direct the correct manner in contracting. It is fair to say that the jurisdiction is the trickiest part in setting up an e-commerce because barriers created by them cannot be ignored and for Finnish companies also because it may be a challenge to figure out the juridical English text. The advantage of being a Finnish company attending the UK market is that both follow the same EU directives and regulations, such as The European Union Electronic Commerce Directive (2000/31/EC). UK's own E-commerce Regulations are still the ones providing legal aspects to businesses operating within the UK market. The point to remember is that it is the place of the business that counts instead of place of equipment and the place of physical presence of management. With jurisdiction in general the issue to be taken into account is that they are constantly evolving as they require frequent updating.

Summarising this research it can be stated that the institutional barriers and problems most commonly faced by Finnish companies in the UK market are mainly cultural and legal. Cultural in a sense that businesses often may think that just by translating company's web site to English is all that is required when wishing to enter the UK e-commerce. This is not the case. Sites need adaptation so that it is locally appealing, and including features local consumers are comfortable using. Sometimes if the industry field or products sold are somehow special the business may also need to think if it has potential customers in the UK. In such case the market research is advisable to be conducted.

Legal issues are concerned with all the businesses but with e-business the significance is major especially with contracts because it involves no human presence when agreed about transaction of goods. The main thing is always to understand which national law is applied in which case and do actions based on that. It should not be blindly thought that because both the United Kingdom and Finland are member states of the European Union that same practices are conducted in each. Instead, local national laws are always applied. The constantly changing jurisdiction in this hugely increasing business and its complex environment makes it even more challenging and will require modification

possibility both to managerial operations and to features and functions on site. Applicable law also states the information that should be mentioned on site. That could be for example delivery costs in which case having products delivered from Finland it is necessary to find out the correct delivery related charges. Depending on credit card provider or other way of payment transaction the country specific costs must also be included. UK's Distance Selling Regulations provide the necessary information for this kind of issues.

When thinking about the operations of the Finnish company the problems in the UK market often arises also with marketing and communication. Marketing though can be more of a problem with Finnish companies who are not as much utilized the functions, or does not know how to monitor the results of it. If entering the UK market where competition is great it is more or less necessity to have a well planned marketing strategy. Choosing correct channels of marketing and delivering message that is locally appealing gives a better chance of succeeding. The amount of information and advertising British consumers receive every day is so heavy that standing out from the crowd needs clever and careful marketing program. When seeing from site traffic that any marketing campaign has started to work the communication to and interaction with potential customers is the next step. Communication in general might be a problem if the company has issues with overcoming language barriers. How to conduct 1:1 marketing or answering e-mails, nevertheless phone if capabilities on language level are not meeting the local standards? Company conducting business from abroad must figure these things before the launch in the UK market: should they have local representatives taking care of the customer service, native speaker recruited for such purpose to headquarters, or should they rely on their current skills within the organisation. Whatever the outcome the communication must work the way target audience is familiar with. Any other way might be a risk and have a negative impact on relationship building process.

9 DISCUSSION

The Bachelor's thesis was conducted by means of qualitative research where the aim was to come up with a theory on how CRM should be performed by companies wishing to expand to the UK e-commerce market. The research problem was as follows: what institutional barriers or problems a Finnish company may face when marketing through e-commerce to the United Kingdom consumers. Additional research objective was to discover the functions of CRM important to be taken into account in the target country. The subjects in theoretical framework were chosen based on their informative content about current e-commerce business and to explain the main CRM functions in order to understand why certain factors were researched in the empirical part. Different methods in the empirical research were used in order to be able to fully answer the research question as many CRM functions must comply with certain legal aspects. Interviews compliment the other findings because it gives understanding about the present state and expectations of companies, and so the theory for further action could be created. Ideally the outcome of this report would be useful for SMEs wishing to take part in international e-commerce, and especially those in cooperation with InnoLighthouse and Vercco projects.

The process of this thesis started in February 2011 when I as the author and researcher had a meeting with the commissioner InnoLighthouse (InnoMajakka) who had been looking for participants to e-commerce related research tasks. At the meeting the preliminary research topic was decided. The commissioner gave an idea about the research question which was based on the need and importance it would have to the parties involved in the commissioner's project. Besides that I was given free hands on what issues I would like to conclude on the research and those issues were discussed and modified further in seminars held during the process. After approval of the topic the opening seminar was held at the start of March 2011. The direction seminar followed at the end of March and presentation seminar in early May 2011. The whole process was scheduled and I managed to follow it thoroughly without delays even though at the start of the process I was aware that it might be challenging. However, I was confident I would accomplish the work on time.

The topic of the thesis was interesting to research because it is very current: e-commerce is an increasing industry and internationalisation the aim for many companies. The process gave enough challenge to me as a researcher because e-business function was not the focus on my studies nor was CRM concept profoundly handled. When hearing the concept 'e-commerce' I first thought this is probably not the case for me because I associated e-commerce with all the technical aspects retailing on internet would possibly include. Being a business student I thought it would be too difficult for me to handle IT-related issues, but as I soon found out the standpoint to this research would be from marketing and customer focus point of view. At the start of the process the challenge was to narrow down the topics and place limitations to the extent of the subject so that it would not spread too wide. Too wide handling of the subject would have meant that deep enough research on chosen topics was left undone and therefore the outcome of the research would have suffered. When deciding the limitations I still thought if something important was left out, but the more I researched the more confident I was that the correct issues were included.

The printed literature was fairly easy to find for CRM and B2C marketing related issues. However, it was necessary to be a little critical about the validity of certain literature because many sources of such topics were quite old. Therefore I decided to use such literature only when researching theory about generally acknowledged concepts such as CRM and marketing functions. Electronic sources were the main place to look for the current e-commerce related facts and figures, as well as up-to-date information about legal aspects which are subject to constant changes. If printed sources had been used to explain these topics the relevancy and validity of them should have been questioned.

As I expected the empirical research was the most time consuming part of the thesis process. Especially challenging was to find the correct sources for target country jurisdiction and those applicable to e-business. Conducting the observations on UK based e-commerce sites also proved out to be a long process. In turn I did not lose any more time than scheduled on interviews because of the smooth cooperation from companies taking part. With the questions I wanted to avoid irrelevant issues and by

focusing them around research question I managed to constitute them fairly easily and received answers sufficient enough so that I was able to make conclusions about them. The interview was carried out with questionnaires which were sent by e-mail to the replying parties. More information may have been received and additional questions could have come up if the interviews were carried out in face-to-face situation. Since I was determined to stick with the schedule I thought settling the times for meetings and actually carry them out would have required more time, which is why I chose to use e-mail communication. I consider the method chosen was correct in my situation and in all I was satisfied with the outcome of the interviews conducted.

As a limitation to this research it must be mentioned that not much effort is placed on researching or explanation of eCRM applications part or IT-functions in e-retailing in general because the knowledge and study area of mine does not cover such topics and the aim of the research was not to focus on such. This thesis also does not cover logistics field in e-commerce which could be an important part and as can be predicted from the results of the interview it is a field in which companies wish to receive help. Furthermore, deeper researching on jurisdiction could not be conducted in this thesis because it requires professional skills from legal field which I do not posses. Anyhow, it was mentioned that with legal aspects the professional advice should be sought after by companies. Accordingly, further research could be conducted on field of applications which would benefit the companies understanding on how CRM function can be managed with apps and programmes. Another research field which could benefit businesses is logistics functions because it is such a large division it would be useful for businesses to understand its importance in supply chain. Vercco –project could also benefit from similar researches with this one focusing on different markets based on the need of the companies involved in the project.

While writing and researching the topics of this thesis I learned that the variety of functions and capabilities required in e-commerce are more than I imagined. I have gained understanding in business field which I thought did not necessarily involve the basic functions of traditional type businesses. I realised that customer relationships must be managed also on internet and such activity can be even more challenging than

usually. Consequently it was important to me to communicate that entrepreneurs should realise they do not necessarily need to reject functions they have obtained, but instead modify them to serve the web based business. Another learning experience I achieved in field of jurisdiction related with e-commerce. It was interesting to research the consequences the EU Directives place on national laws and though both nations, the United Kingdom and Finland, are members of the EU it was surprising to discover that differences in local practices exist. All in all, I am pleased with the learning curve this thesis process has given me. I cannot image situation in business life and in my future career where CRM issues would not come up, which is why the deeper understanding in this field can only benefit my professional growth. Being an international business student it is equally important that I was able to involve the aspects of internationalisation in this research as it would be the ambition of mine to work with international functions.

I would like to thank all those involved in my thesis process; Commissioner InnoLighthouse for enabling me to research this very current topic; MedKit Finland Oy and Vercco for their cooperation in interviews; My thesis supervisor Helena Ahola for her advice and guidance, and my peer evaluator Yang Zhilin for his constructive support. I truly enjoyed the process.

Foremost to Cara, my dear daughter; There is nothing that could have motivated me more than my love for you.

REFERENCES

European Commission. 2010. E-Commerce Directive. Date of retrieval 4.3.2011, http://ec.europa.eu/internal_market/e-commerce/directive_en.htm

European Commission. 2011. Review of the data protection legal framework. Date of retrieval 23.3.2011, http://ec.europa.eu/justice/policies/privacy/review/

Fjermestad, J. 2004. E-commerce Relationship Marketing. Date of retrieval 27.2.2011, http://site.ebrary.com.ezp.oamk.fi:2048/lib/oamk/docDetail.action?docID=10069041&p00=e-commerce%20relationship%20marketing

Fjermestad, J. 2006. Electronic Customer Relationship Management. Date of retrieval 27.2.2011, http://site.ebrary.com.ezp.oamk.fi:2048/lib/oamk/docDetail.action?docID=10178047&p00=electronic%20customer%20relationship%20management

Gonyea, J.C. & Gonyea, W.M. 1996. Selling on the internet: How to open an electronic storefront and have millions of customers come to you! New York: McGraw-Hill, cop.

IMRG. 2010. The IMRG/Hitwise Hot Shops List Top 100: June 2010. Date of retrieval 7.4.2011, http://www.imrg.org/ImrgWebsite/User/Pages/Top100HotshopsList2010.aspx?pageID=68&isHomePage=false&isDetailData=false&itemID=0&pageTemplate=14&isAllRecords=true&isArchiveData=False&parentPageID=0

IMRG. 2011a. Industry Statistics. Date of retrieval 6.4.2011, http://www.imrg.org/ImrgWebsite/User/Pages/Dashboard.aspx?pageID=61&isHomePage=false&isDetailData=false&itemID=0&pageTemplate=9&isAllRecords=true&specificPageType=28&parentPageID=58

IMRG. 2011b. Monthly review; March 2011. Date of retrieval 6.4.2011, http://www.imrg.org/ImrgWebsite/User/Pages/MonthlyReview.aspx?pageID=78&isHomePage=false&isDetailData=true&itemID=4811&specificPageType=0&pageTemplate=2

IMRWorld. 2011. B2C Global e-commerce overview. Date of retrieval 6.4.2011, http://www.imrg.org/ImrgWebsite/IMRGContents/Files/IMR_Summary_Report.pdf

Kalakota, R. & Robinson, M. 1999. E-Business: Roadmap for success. Reading, MA: Addison Wesley Longman, Inc.

Kogut, B.M. 2003. Global Internet Economy. Date of retrieval 18.3.2011, http://site.ebrary.com.ezp.oamk.fi:2048/lib/oamk/docDetail.action?docID=10225293&p00=global%20internet%20economy

Kuluttajavirasto. 2007. Verkkokaupan markkinointi ja sopimusehdot. Date of retrieval 8.3.2011, http://www.kuluttajavirasto.fi/File/e32d0345-a4ad-4228-8286-2b3273cc326a/Verkkokaupan+markkinointi+ja+sopimusehdot.pdf

MedKit Finland Oy. 2010. Uutiset. Date of retrieval 17.4.2011, http://www.medkit.fi

Miniwatts Marketing Group. 2010a. Internet World Stats. Date of retrieval 18.3.2011, http://www.internetworldstats.com/stats.htm

Miniwatts Marketing Group. 2010b. Internet Usage in European Union: European Union – Top 10 Internet Countries. Date of retrieval 18.3.2011, http://www.internetworldstats.com/stats9.htm

Miniwatts Marketing Group. 2010c. Internet World Users by Language. Date of retrieval 20.3.2011, http://www.internetworldstats.com/stats7.htm

Moilanen, A., Project Coordinator, Vercco. VS: Opinnäytetyön kyselyyn osallistuminen. E-mail message anna-leena.hintsala@luukku.com 15.4.2011.

Oulu University of Applied Sciences. 2009. InnoMajakka. Date of retrieval 28.2.2011, http://www.oamk.fi/hankkeet/innomajakka/tietoa_hankkeesta/

Paul Budde Communication Pty Ltd. 2010. World Digital Economy – E-Commerce and M-Commerce Trends (3rd edition). Date of retrieval 18.3.2011, https://www.budde.com.au/Research/World-Digital-Economy-E-Commerce-and-M-Commerce-Trends.html?r=51

Pinset Masons LLP. 2010a. The UK's E-Commerce Regulations. Date of retrieval 8.3.2011, http://www.out-law.com/page-431

Pinset Masons LLP. 2010b. The UK's Distance Selling Regulations. Date of retrieval 9.3.2011, http://www.out-law.com/page-430

Roberts-Phelps, G. 2001. Customer Relationship Management : How to Turn a Good Business into a Great One!. Date of retrieval 27.2.2011, http://site.ebrary.com/lib/oamk/Doc?id=10071311&ppg=10

Sterne, J. 1996. Customer Service on the Internet; Building relationships, increasing loyalty and staying competitive. New York: John Wiley & Sons, Inc.

Strauss, J., El-Ansary, A. & Frost, R. 2006. E-marketing, 4th international edition. Upper Saddle River, NY: Pearson Prentice Hall.

Sweeney, S., MacLellan, A. & Dorey, E. 2007. 3G Marketing on the internet: Third Generation Internet Marketing Strategies for Online Success (7th Edition). Date of retrieval 15.3.2011, http://site.ebrary.com/lib/oamk/docDetail.action?docID=10179964

Turban, E., Lee, J., King, D. & Chung, H. 2000. Electronic Commerce: A managerial perspective. Upper Saddle River, NJ: Prentice-Hall, Inc.

Vertical Web Media. 2010. UK Online sales projected to more than double in 10 years. Date of retrieval 6.4.2011, http://www.internetretailer.com/2010/07/02/uk-online-sales-soar

Vertical Web Media. 2011a. Shoppers in the U.K. Increase oline spending by 20% in February. Date of retrieval 6.4.2011, http://www.internetretailer.com/2011/03/17/shoppers-uk-increase-online-spending-20-february

Vertical Web Media. 2011b. Proposed EU laws concern e-commerce groups. Date of retrieval 7.4.2011, http://www.internetretailer.com/2011/04/01/proposed-eu-laws-concern-e-commerce-groups

Vercco. 2011. Mikä Vercco? Date of retrieval 17.4.2011, http://www.vercco.fi/vercco.html

World Intellectual Property Organization. (No year of publication). About WIPO. Date of retrieval 23.3.2011, http://www.wipo.int/about-wipo/en/what_is_wipo.html

Zikmund, W.G., McLeod, R. Jr. & Gilbert, F.W. 2002. Customer Relationship Management: Integrated marketing strategy and information technology. Hoboken, NJ: John Wiley & Sons, Inc.

Åman-Toivio, M., CEO, MedKit Finland Oy. Re: Opinnäytetyön kyselyyn osallistuminen. E-mail message anna-leena.hintsala@luukku.com 13.4.2011.

APPENDICES

#	Name	URL	#	Name	URL
1	Amazon UK	www.amazon.co.uk	51	Orange Shop	shop.orange.co.uk
2	Argos	www.argos.co.uk	52	TravelRepublic.co.uk	www.travelrepublic.co.uk
3	Play.com	www.play.com	53	Dorothy Perkins	www.dorothyperkins.com
4	Apple	www.apple.com	54	House of Fraser	www.houseoffraser.co.uk
5	Tesco	www.tesco.com	55	Wickes	www.wickes.co.uk
6	Amazon.com	www.amazon.com	56	Vodafone Shop	shop.vodafone.co.uk
7	Your M&S	www.marksandspencer.com	57	First Choice	www.firstchoice.co.uk
8	Next	www.next.co.uk	58	See	www.seeticket.com
9	Tesco Direct	direct.tesco.com	59	The Carphone Warehouse	www.carphonewarehouse.com
10	easyJet.com	www.easyjet.com	60	Premier Inn	www.premierinn.com
11	John Lewis	www.johnlewis.com	61	Ebuyer.com	www.ebuyer.com
12	Ryanair	www.ryanair.com	62	Jet2.com	www.jet2.com
13	B&Q	www.diy.com	63	ManMDirect.com	www.mandmdirect.com
14	Thomson	www.thomson.co.uk	64	ALDI UK	uk.aldi.com
15	ASOS	www.asos.com	65	Maplin Electronics	www.maplin.co.uk
16	Expedia.co.uk	www.expedia.co.uk	66	Apple iPod % iTunes	www.apple.com/itunes
17	New Look	www.newlook.com	67	Monsoon	www.monsoon.co.uk
18	LoveFilm.com	www.lovefilm.com	68	boohoo.com	www.boohoo.com
19	Debenhams	www.debenhams.com	69	easyJet Holidays	holidays.easyjet.com
20	Topshop.com	www.topshop.com	70	Matalan	www.matalan.co.uk
21	River Island	www.riverisland.com	71	Flybe	www.flybe.com
22	lastminute.com	www.lastminute.com	72	bmibaby	www.bmibaby.com
23	Thomas Cook	www.thomascook.com	73	Virgin Atlantic	www.virgin-atlantic.com
24	HP	www.hp.com	74	Interconstinental Hotels Group	www.ichotelsgroup.com
25	HomeBase	www.homebase.co.uk	75	On the Beach	www.onthebeach.co.uk
26	Currys	www.currys.co.uk	76	Mothercare	www.mothercare.com
27	ScrewFix.com	www.screwfix.com	77	Miss Selfridge	www.missselfridge.co.uk
28	ADSA	www.asda.co.uk	78	Monarch.co.uk	www.monarch.co.uk
29	HMV.com	www.hmv.com	79	La Redoute	www.laredoute.co.uk
30	Littlewoods.com	www.littlewoods.com	80	Dixons	www.dixons.co.uk
31	thetrainline.com	www.thetrainline.com	81	Evans Cycles	www.evanscycles.com
32	British Airways	www.britishairways.com	82	ChainReactionCycles.com	www.chainreactioncycles.com
33	Very.co.uk	www.very.co.uk	83	Toys R Us -UK	www.toysrus.co.uk
34	Cineworld Cinemas	www.cineworld.co.uk	84	Wiggle	www.wiggle.co.uk
35	ASDA Direct	direct.asda.com	85	Bhs	www.bhs.co.uk
36	Dell EMEA	www.euro.dell.com	86	Topman	www.topman.co.uk
37	Odeon Cinemas	www.odeon.co.uk	87	Wilkinson	www.wilkinsonplus.com
38	TicketMaster UK	www.ticketmaster.co.uk	88	JD Sports	www.jdsports.co.uk
39	Sainsbury's	www.sainsbury.co.uk	89	Republic	www.republic.co.uk
40	Comet	www.comet.co.uk	90	3 Store	threestore.three.co.uk
41	Vue Entertainment	www.myvue.com	91	Boden	www.boden.co.uk
42	Travelodge UK	www.travelodge.co.uk	92	Waitrose	www.waitrose.com
43	GAME	www.game.co.uk	93	National Express	www.nationalexpress.com
44	Boots	www.boots.com	94	Focus DIY	www.focusdiy.co.uk
45	PC World	www.pcworld.co.uk	95	Holiday Extras	www.holidayextras.co.uk
46	QVCUK.com	www.qvcuk.com	96	T-Mobile Mobile Phone Shop	www.t-mobile.co.uk/shop
47	Halfords	www.halfords.com	97	BAA	www.baa.com
48	O2 Shop	shop.o2.co.uk	98	Teletext Holidays	www.teletextholidays.co.uk
49	IKEA	www.ikea.com	99	Schuh	www.schuh.co.uk
50	Sportsdirect.com	www.sportsdirect.com	100	LEGO Worlds	www.lego.com

Hyvä vastaanottaja

Tällä kyselyllä kartoitetaan ulkomaille suuntautuvan verkkokaupan avaamisen motivaattoreita, avaamisen suunnittelussa ilmeneviä ongelmia, ja muita aiheeseen liittyviä kokemuksia ja tuntemuksia.

Olen International Business -koulutusohjelman opiskelija Oulun seudun ammattikorkeakoulussa ja tämä kysely on osa opinnäytetyöni empiiristä tutkimustyötä. Kysely on kohdistettu MedKit Finland Oy:lle.

Kyselyyn osallistuminen on vapaaehtoista. Kysymykset ovat avoimia, joten voitte vastata niin lyhyesti tai pitkästi kuin haluatte, tai vastata vain haluamiinne kohtiin. Kyselyyn osallistumalla tuette tutkimukseni onnistumista.

Avustanne kiittäen

Anna-Leena Hintsala

Ulkomaille suuntautuva verkkokauppatoiminta -kysely

Taustatiedot

1.　Vastaajan asema yrityksessä?

2.　Toimiiko yrityksenne tällä hetkellä ainoastaan verkkokauppana, vai sekä kivijalkamyymälänä että verkkokauppana, ja onko teillä tällä hetkellä verkkokauppa joka on suunnattu Suomen markkinoille?

Ulkomaille suuntautuva toiminta

3.　Miksi yrityksenne tähtää kansainvälisille markkinoille?

4.　Mitä odotuksia teillä on verkkokaupan avaamisesta ulkomaille?

5.　Mitkä markkina-alueet teitä erityisesti kiinnostaa, ja miksi?

6.　Mitä markkinoita ette tällä hetkellä tavoittelisi, ja miksi?

7.　Mitä ongelmia olette kohdanneet tähän mennessä suunnitellessanne verkkokaupan avaamista ulkomaille?

8.　Mitä ongelmia luulette kohtaavanne vielä suunnitteluvaiheessa tai avatessanne ulkomaan verkkokaupan?

9.　Miten olette varautuneet mahdollisiin esteisiin?

10.　Mikä kokemuksenne mukaan on haastavinta ulkomaan verkkokaupan avaamisessa?

11.　Mitä asiakkuudenhallinnan välineitä olette suunnitelleet käyttävänne?

12.　Millaisia markkinointikeinoja tulette kenties käyttämään?

13.　Oletteko tarvinneet tai uskotteko tarvitsevanne ulkopuolista apua verkkokaupan avaamiseen liittyvissä asioissa?

14.　Onko teidän ollut helppo saada ammattimaista apua verkkokaupan luomiseen (esim. juridista tai markkinointiapua)?

15.　Muuta, mitä haluaisitte mainita.

Hyvä vastaanottaja

Tällä kyselyllä kartoitetaan ulkomaille suuntautuvan verkkokaupan avaamisen motivaattoreita, avaamisen suunnittelussa ilmeneviä ongelmia, ja muita aiheeseen liittyviä kokemuksia ja tuntemuksia.

Olen International Business-koulutuohjelman opiskelija Oulun seudun ammattikorkeakoulussa ja tämä kysely on osa opinnäytetyöni empiiristä tutkimustyötä. Kysely on kohdistettu verkkokaupan palveluverkosto -hanke VERCCO:lle.

Kyselyyn osallistuminen on vapaaehtoista. Kysymykset ovat avoimia, joten voitte vastata niin lyhyesti tai pitkästi kuin haluatte, tai vastata vain haluamiinne kohtiin. Kyselyyn osallistumalla tuette tutkimukseni onnistumista.

Avustanne kiittäen

Anna-Leena Hintsala

Ulkomaille suuntautuva verkkokauppatoiminta -kysely

Taustatiedot

1. Vastaajan asema yrityksessä/hankkeessa?
2. Montako yritystä VERCCO -hankkeessa tällä hetkellä on mukana, ja moniko niistä toivoo suuntaavansa verkkokaupan ulkomaan markkinoille?

Ulkomaille suuntautuva toiminta

3. Mitkä kokemuksenne mukaan ovat suurimmat syyt yritysten haluun kansainvälistyä?
4. Mitä odotuksia yrityksillä on verkkokaupan avaamisesta ulkomailla?
5. Mitkä markkina-alueet kiinnostavat yrityksiä tällä hetkellä eniten, ja miksi?
6. Mitä markkinoita yritykset eivät ole halukkaita lähestyä, ja miksi?
7. Mitä ongelmia yritykset pääsääntöisesti ovat kohdanneet suunnitellessaan verkkokaupan avaamista ulkomaille?
8. Ovatko ulkomaan verkkokaupan avaamisen odotukset yrityksillä mielestänne realistiset, vai oletetaanko sen yleensä olevan helpompaa tai vaikeampaa kuin se todellisuudessa on?
9. Voiko mahdollisiin esteisiin varautua, ja jos voi niin miten?
10. Mikä kokemuksenne mukaan on haastavinta ulkomaan verkkokaupan avaamisessa?
11. Mitä asiakkuudenhallinnan välineitä yritykset pääsääntöisesti käyttävät?
12. Millaisia markkinointikeinoja yritykset käyttävät?
13. Missä vaiheessa suunnittelua yritykset lähestyvät teitä saadakseen ammattiapua verkkokaupan avaamiseen liittyvissä asioissa?
14. Missä asioissa yritykset kaipaavat apua eniten (esim.markkinointi, juridiikka, logistiikka, asiakkuudenhallinta)?
15. Muuta, mitä haluaisitte mainita.

Companies and web sites researched for Table 4. 'E-CRM features commonly used in the UK web sites'. Category of the main product sold on site mentioned first.

1) Books: AbeBooks, www.abebooks.co.uk

2) Clothes: Boden, www.boden.co.uk

3) Kid's clothes: Adams, www.adams.co.uk

4) Shoes: Barratts, www.barratts.co.uk

5) Handbags: Kipling, www.kipling.com/uk-en/

6) Health care: Boots, www.boots.com

7) Health care: First Aid Warehouse, www.firstaidwarehouse.co.uk

8) Electrical goods: 1st Audio Visual, www.1staudiovisual.co.uk

9) Toys: Hamleys, www.hamleys.com

10) Travel: Expedia, www.expedia.co.uk

11) Shopping services: eBay UK, www.ebay.co.uk

12) Gifts: Boxhappy, www.boxhappy.com

13) Computers: Comet, www.comet.co.uk

14) Music: HMV, www.hmv.com

15) Home: Amara, www.amara.co.uk

16) Jewellery: Diamond Manufacturers, www.diamondmanufacturers.co.uk

17) Jewellery: Ernest Jones, www.ernestjones.co.uk

18) Department stores: John Lewis, www.johnlewis.com

19) Sports: Sports Warehouse, www.sportswarehouse.co.uk

20) Pets: Pet Planet, www.petplanet.co.uk