Work Project

CEMS Business Project: Shelf Life -New Furniture Concept

Spring semester 2014
Nova School of Business and Economics

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Date:	March 23rd, 2014

Table of Contents

1. Business Project "Shelf Life"

Shelf Life is a project that was initiated by designer Rosa Couto in 2011. As a graduation project of her studies in Industrial Design, she developed a concept for modular furniture, winning the third place in an Entrepeneurship Competition organized by Ernst & Young and Nova SBE University in 2013. Rosa's furniture concept consists of 13 wooden planks which can be transformed into different types of furniture such as a table, shelf or sofa without using any screws or bolts. In order to establish a business model, Rosa cooperated with Nova SBE in the form of a business project.

The client situation hence demanded support in transforming Shelf Life into a commercial success with the goal of developing a **business plan** as well as convincing investors. This also included advice concerning the set-up of the company and the product itself. Here, already at an early stage of the project, our group noticed a lack of market potential for the current product. Surveys and research conducted revealed that the product designed by Rosa needed alteration. Various qualitative interviews disclosed that consumers prefer alternative modular furniture solutions and that they doubt the product's stability. By analysing the Portuguese furniture and decoration market, we discovered that the financial crisis lead to a decline in furniture sales whereas the decoration market continues to prosper (Exponor Inhouse, 2014; Ana Cardoso, 2014). Taking into account those findings, our team conducted focus groups in order to test the potential of three product concepts, leading to a decision in favour of the concept "decoration". Additional qualitative and quantitative research then guided our group in determining the product and other criteria such as price or distribution.

The research phase conducted lead to **"Tryptic"**, an innovative three piece wall decoration which can be transformed into a table without using screws or bolts (see Appendix 1 for further details). Hence, Shelf Life enters with a novel product into a new product category, which combines the decoration and furniture market. For launch, Shelf Life will use Portugal as a test market, to proof the concept and its profitability. With future success, the company plans to enter other promising European markets such as Denmark, Norway or France and Spain. In Portugal, the **market for furniture and decoration** consisted in 2012 of 10.700 outlets with a total value of €1,5 billion. Indirect competitors to Shelf Life are the big players IKEA, CASA and Moviflor, with a combined market share of 32% in 2012 (Euromonitor International Passport, 2013). Shelf Life's direct competitors are companies combining furniture with decoration such as Ivy Design or Endrit Hajno, offering a folding table similar to Tryptic. However, those two companies do not operate yet in the Portuguese market and rather position themselves as high-end (Ivy Design, 2014; Endrit Hajno, 2014).

Tryptic also matches the market trends which show an increased demand for low-to-medium priced disposable furniture and decoration (Exponor Inhouse, 2014; Ana Cardoso, 2014). Moreover, in terms of home decoration, consumers increasingly value products with which they can differentiate themselves and that transmit an experience or stories (CBI Ministry of Foreign Affairs, 2014).

The overall **business project challenge** was to develop a business plan for Tryptic Yet, already at the beginning our group faced several hindrances to overcome. First of all, an additional dimension was added by analyzing if Shelf Life should proceed at all with the product developed by Rosa. This extra phase was not planned at the beginning and hence changed the whole focus and timing of the project. In line with this, challenges resulted in the limited time frame we had available to research and develop a new product and its business plan. Also, the conduction of research such as focus groups turned into a challenge since it was crucial not to bias the participants and receive as much valuable information as possible with this method.

Based on the before mentioned research, we derived at the following **outcomes**. Shelf Life will launch Tryptic on May 1st, 2015. The two products will be placed in the medium-price range, with the low table offered at a **price** of €90 wheras the high table can be purchased at a price of €130. All of the materials will be sourced from suppliers in China. The products are aimed at the 20 – 35 year old urban and sophisticated Portuguese "Uniqueness Lovers" and "Functional Decorators" (Appendix 2). Consequently, in total 198.000 individuals throughout Portugal fall into this **target group**. The **positioning** statement is defined by "offering wall decoration for young urban people, that is unique because it can be transformed into furniture". For a successful launch of Tryptic, various **Marketing** activities have to be initiated. A viral campaign as well as intense online marketing activities including social media presence, blog engagement and a new website will aid in raising awareness among the target consumers. Appendix 3 gives an overview of all activities relevant for the launch of Tryptic. Forecasted marketing costs as well as other financial data can be found in Appendix 4. Finally, in terms of distribution, our group decided to follow a multichannel strategy, defined by the distribution through physical stores as well as the implementation of an online-retail platform on Shelf Life's website. Physical stores include design and concept stores as well as smaller non-chain retail furniture and decoration stores located in urban areas throughout Portugal. It should be pointed out that the decision on whether to implement online-retail lead to various discussions among our group. Therefore, the second part will shed light on this question, further examining online-retail in the case of Shelf Life.

2.   Online-retail critical success factors for Shelf Life

2.1 What was the original approach and what were the limitations?

As mentioned before, the business plan of Shelf Life contains the distribution of Tryptic through physical stores as well via online-retail. Yet, the approach leading to a decision in favor of the online-retail distribution channel did not include a comprehensive analysis considering benefits and drawbacks of online-retail. The decision was made based on low costs and the possibility to sell to a broader market while drawbacks were not analyzed. A second limitation consisted in the lack of establishing a guideline and factors to consider for the online distribution channel. Therefore, the following will examine the possibility of online-retail for Shelf Life and specify the factors critical for success.

2.2 What are the benefits and drawbacks of online-retail for Shelf Life?

First of all, the benefits and drawbacks of an online-retail implementation for Shelf Life will be evaluated. Looking at IKEA's approach, the company's distribution strategy has been very traditional while focusing mostly on physical stores, yet recently the company started launching increasing numbers of online-retail platforms across countries in order to exploit further market potential (Internet World, 2014). In the year 2012, IKEA's e-commerce grew by 26% and general projections for the next years show that the e-commerce business will gain in importance for the furniture and decoration industry (E-commerce vision, 2014).

In order to evaluate, if it is reasonable for Shelf Life as a start-up company to decide in favor of e-commerce, a model with enablers and limiters will be used as a basis (see Appendix 5). Limitations of the model exist concerning the component "novelty" which will not be included since the model was established in 2004. Furthermore, the component "product category" will be analyzed as a limiter due to the product category Tryptic belongs to. For the category of enablers, additional factors beyond the model will be listed. (Grewal et al., 2004).

Specifically for Shelf Life, the use of e-commerce will make it possible to reach a **broader customer base** in Portugal since physical distribution will be limited to urban areas. In line with this, the e-commerce function supports a possible future international expansion by facilitating to reach out to various countries while keeping **costs** at a low level. Especially for Shelf Life as a start-up, costs play a major role (Rao, 1999; Grewal et al. 2004). A **cost advantage** also occurs since Shelf Life does not have to pay any margins to retailers, which implies savings of margins of 30% per product (Chandra, Sunitha, 2012). Shelf Life also aims at expanding its product line in the future. With an online-retail platform, Shelf Life would have the opportunity to **test** new products and their demand online. From a customer perspective, e-stores offer the **convenience** that a customer can choose a product from home

any time and to have it delivered. Shelf Life's customers might see a product in a store and return home without purchasing the product immediately. Yet, later in time they opt for a purchase and welcome the opportunity to buy Tryptic online. Moreover, constantly improving **search engines** facilitate a customer to encounter Shelf Life on the internet. A link to Shelf Life's website shows comprehensive general **information**, including the opportunity to purchase the product online. Also, customers will be able to see the price and compare it easily with other products (Grewal et al. 2004). In addition, **new technologies** reduce the drawbacks of not experiencing the product inside a store (Velosa, 2014). Finally, Shelf Life's **target group** is comprised of students and young adults who use the internet extensively and have a more positive attitude towards online buying. This is also in line with the findings of our quantitative research which revealed that 30% of all respondents would prefer to purchase the product online (see Appendix 6) (Questionnaire, 2014). Combining this with the data of other retailers, it is reasonable to assume that 10% of Tryptic's sales can be conducted online.

On the other hand, there are also arguments speaking against Shelf Life's introduction of online retail. First of all, despite technological innovations, Shelf Life cannot provide the same **prepurchase trial** or **shopping experience** and personalized human contact as in a physical store. This factor is very relevant for Tryptic's **product category** since consumers want to feel the quality of the product and test it for its stability. Likewise, Shelf Life's customers will **lack the interpersonal trust** due to a low brand identity at launch. Because of Shelf Life's unkownness, customers will have difficulties evaluating the value of a Tryptic product and hence require decision-making assistance of salespeople. An overall lowered customer service also exists when it comes to **product returns and monetary refunds**. It will be time consuming and difficult for a customer to send a package with a Tryptic product back. Also, **shipping and handling costs** are a burden for either Shelf Life or when being passed on to the consumers. In line with this, the process of organizing the whole **logistics function** will be complex to carry out for Shelf Life (Grewal et al. 2004). This might also result in long waiting times from the moment a customer orders online until he receives the product (Rabinovich, 2004). Although in general e-commerce is a low-cost format, a **well-maintained web site** with special technologies will be another cost factor for Shelf Life. Next, also concerns in terms of privacy of data and **security** are a problem since Shelf Life is not well known yet and consumers might hesitate to transfer money or to disclose their credit card details. Another drawback is the **lack of a stable customer** base since repeat purchases will be unlikely as long as the company only sells two product lines.

Finally, the owner Rosa Couto is currently not **experienced** with the e-commerce business, raising doubts concerning the organizational readiness (Grewal et al. 2004).

As a conclusion, various benefits and drawbacks exist which illustrate the complexity of deciding for or against the implementation of an e-commerce platform. Yet, the emphasis on certain factors with regard to Shelf Life aid in deriving at a decision. Shelf Life is a small company and hence needs to make use of a multichannel strategy to reach as many target customers as possible throughout Portugal. Furthermore, online retail will facilitate an expansion in terms of product offerings and new markets. Lastly, the implementation of an e-commerce platform will not be too cost-intensive. Therefore, it is advisable for Shelf Life to decide **in favor of online-retail**. The online-retail platform should already be implemented with Tryptics launch and in the future with increasing monetary funds built out and improved.

2.3   What are the critical success factors for Shelf Life's online-retail?

In the following, short-term and long-term strategies and actions will be proposed which Shelf Life should follow in order to derive at a successful online-retail channel. For this purpose, a framework with critical success factors for e-commerce will be used as a guideline, the **E-commerce business satisfaction (EBS) model** (Appendix 7) (Wu et al. 2013). Since Shelf Life is a start-up company, the framework was adjusted in order to point out the factors relevant for this specific case. Hence, the components that will be examined in the **adjusted EBS model** are HR / Management, Supply Chain / Logistics, Marketing, Web Site, Security, Managing Change and Channel Management (Appendix 8).

To start with, the factor **Human Resource / Management** needs clarification in order to assign responsibilities and check capacities. The management team at launch will consist of the general manager and one sales manager. The owner Rosa Couto herself will carry out the tasks of the **general manager**, assuming all functions concerning the internal and external communication to stakeholders as well as the general administration and overview over all operations such as the supply chain. A **sales manager** will be hired and will be responsible for all functions regarding sales, such as the prospect generation, account management and after-sales service. Functions such as IT / website maintenance, Marketing and Finance and Accounting will generally be outsourced, yet several tasks can also be completed by Rosa. With **future** success of the company and increasing sales, more employees will be hired.

Already with its launch, Shelf Life has to focus on the supervision and optimization of its **logistics and supply chain**. Those components are related to order fulfillment service quality (QFSQ) which includes all the way from ordering to receiving the product at the requested place and in the right condition.

OFSQ includes the following components: Order capture, which will be analyzed at a later stage, order processing, pick and pack, shipping and after sales service and returns handling. Shelf Life has to take care of the **order processing** meaning that the order needs to be prepared, including credit checking, invoicing and address label generation. Every order should receive a tracking number so that relevant information can be passed on to the consumer. With Tryptic's launch it will be advisable for Rosa to carry out those tasks herself due to cost saving opportunities. A possible supply chain will therefore look according to the following:

Manufacturing of wooden panels (China) → Shipping to Porto → Inventory at storage room / warehouse → Final product adjustments → Local Shipping → Customer

Hence, Rosa will receive the goods in Porto and pass them on to the storage room. A storage place will be beneficial because the product can be finalized and it provides a place where product returns can be processed and stored again. Also, holding some **inventory** will speed up delivery to the customer (Pyke et al. 2001). Shelf Life's inventory can be managed for instance via Lettuce, a tool designed for smaller companies that consolidates order-processing up to accounting (for description see Appendix 9) (Business News Daily, 2014). This is also important since the same stock base will be used to sell through the physical distribution channels as well as online. Next, the **final product adjustments** of attaching the picture, chalk board or mirror configuration will be made by Rosa herself as well as inspecting the product for damages. The product then needs to be **packaged** and will then be **shipped** by a logistics company to the customer's address. Rosa and the sales manager also need to take care of the after **sales service** and **returns** handling. When a customer returns a product, it will arrive at the storage space where Rosa takes care of the handling and storage of the product until it can be resold. Since return costs can be a burden for Shelf Life, the company might consider charging restocking fees as a percentage of the product (All Business, 2014). Overall, Shelf Life should take care of establishing trust and relationships with its suppliers (Pyke et al., 2001). **In the future,** Shelf Life should also consider shifting the whole production process to China, including finalization of products and direct shipment to the customer (Pyke et al., 2001). Another option to contemplate is switching suppliers if costs can be saved. Concerning HR, the sales manager will be assigned to the after-sales service but will support Rosa with the tasks mentioned before if possible.

Another important area to pay attention to is **Marketing.** Shelf Life should implement Marketing tactics already with Tryptic's launch, followed by continous updates and new campaigns (Wu et al., 2014).

With launch, Tryptic should be communicated via an **aggressive marketing campaign** in the form of a viral campaign in order to make customers aware of the company and to build Tryptic's brand identity. This marketing campaign will also educate on the online-retail possibility (Power Home Biz, 2014). In addition, it is advisable for Shelf Life to connect **social media** and the e-commerce platform both ways. A best practice example is made.com, a furniture retail website, where consumers receive a discount when they purchase a product on the company's website and then share it with their friends on Facebook. Those activities will be beneficial in generating Word-of-mouth and hence reaching an enhanced part of the target group. Likewise, Shelf Life's Facebook site should announce the e-commerce possibility and be directly linked to Shelf Life's website promoting an online purchase via special offers. The platform can also provide the option for consumers to express their opinions regarding Shelf Life (Delayo, Walcutt, 2010). Other activities include a **Search Engine Optimization** (SEO), which is important for Shelf Life's brand awareness. This means that the website will be written in such a way that it will rank high in Google searches regarding various terms connected to the product (Forbes, 2014). **In the long-term**, an eye should be kept on implementing a Customer Relationship Management software which delivers comprehensive information to improve the shopping environment. (Power Home Biz, 2014). Furthermore, new technologies should be taken into account, such as combining the e-commerce function with a mobile application. A new application provides for instance gives consumers a virtual preview of furniture in their room at home as selected furniture can be superimposed against the backdrop of a real background taken with a camera (Appendix 10) (Apartment Therapy, 2014). To fulfill the before mentioned tasks, a Marketing agency will be assigned with Rosa monitoring the process and taking care of ongoing social media activities.

Website factors play a major role for a successful e-commerce implementation and hence customer satisfaction. The website's **interface design** is one of the factors crucial for conveying trust to the consumer (Wu et al., 2014). It is the place where order capture takes place, "the process of taking a customer from the point of a buy decision through checkout" (Pyke et al., 2001). First of all, the design of the website such as graphics and backgrounds should be consistent with Shelf Life's business culture (Wu et al., 2014). For Shelf Life it is advisable to use a very simple and intuitive design, similar to the design of sit-read.com (see Appendix 11). Also, the uniqueness and novelty aspect of the brand should find itself again in the layout. Furthermore, information such as product availability and shipping options should be stated at first sight like on made.com (Appendix 11) in order not to disappoint the consumer, being frequently updated. For Shelf Life this is important since shipping to the customer will take time.

In addition, the consumer should be provided with a store locator available on Shelf Life's website, in case he or she wants to see the product in real life before purchasing it. In terms of presenting Tryptic, Shelf Life can show videos of the product and its use which will make the online shopping experience as real as possible. Alternatively, 360° views can represent the product from all sides (Rotary View, 2014). This tactic will offset to a certain extent the lack of the in-store shopping experience. Besides the layout, Shelf Life should pay attention to a fast response time and **performance** of the e-commerce website (Wu et al., 2014). Other trust-enhancing web site signals include data privacy, implied warranty and contact details such as email and telephone which will enable customer support (Ahrholdt, 2011). Finally, considering the costs of implementing a website with innovative technologies, with its launch Shelf Life has to start with a basic e-commerce platform, adopting new technologies **in the futur**e when more funds are available. Shopify for instance offers an online store builder software tool especially for small companies at low cost (see Appendix 9 for further options).

Since Shelf Life is a start-up company, customers may have **security** and privacy data doubts. Hence, Shelf Life has to implement a legitimate payment tool, conveying trust to the consumer. Consequently, a consumer will be more likely to move forward with the purchase at the point of checkout. Shelf Life could for instance use PayStand, all-in-one payment service. (see Appendix 9) (Business News Daily, 2014). Additionally, the website should implement the Secure Sockets Layer authentication in order to ensure secure communication between the customer and the server (Sitepoint, 2014). Companies such as Symantec also offer solutions for smaller companies (Symantec, 2014). Moreover, it will comfort the customer when he can follow the purchasing steps at the top of the screen: *"Shopping cart – Account – Shipping – Payment – Verify – Confirm."*(Power Home Biz, 2014).

Shelf Life also has to bear in mind the alignment of the two channels online-retail and **physical distribution.** This means that prices should not deviate to a large extent among the channels. Physical retailers won't accept a cheaper price online since this means cannibalization of their sales. Moreover, inventory should be coordinated among the channels and possible synergies in terms of deliveries should be exploited (Velosa, 2014). Finally, Shelf Life's employees have to continuously take care of **managing change,** increasing knowledge and skills and adapting e-commerce activities (Wu et al., 2014).

As a conclusion, by implementing online-retail, Shelf Life can benefit from additional sales besides the physical distribution, at an overall low cost. If considering the before mentioned criteria, Shelf Life will derive at a successful online-retail channel, limiting the majority of the challenges the company is facing.

3.   Reflection on Learning

3.1 Previous knowledge learned from my Master's Program

For the conduction of this business project it was necessary and possible to apply various courses of my Master's Program. In order to develop the Marketing Plan, I derived benefit from the course **Marketing in a Dynamic World**. Useful tools included the approach of segmenting the decoration market, targeting a particular group and positioning Tryptic accordingly by using the brand positioning wheel. I also applied my knowledge concerning the 4P's of the marketing strategy. Furthermore, the course **Pricing Strategies** aided in determining the price of Tryptic by applying a price-response analysis and value-based pricing strategy while taking into account a competitor pricing analysis. Next, **Distribution Channels** taught me how to determine the right distribution channels corresponding to our positioning as well as the purchasing behaviour of the target group. Knowledge from **Global Supply Chain Management** was applied in the supply chain part of the e-commerce analysis. It was also possible for me to bring in the knowledge from the course **Financial Management** in the form of creating a Cash Flow Statement and Balance Sheet for Shelf Life. The course **Strategic Management** conveyed the importance of defining the company's strategic core competence while considering market factors. Overall the course **Project Management** was beneficial to develop a Gant chart and define relevant KPI's. Besides the courses, also the overall experience at Nova of having to familiarize myself quickly with new topics aided me in the whole process.

3.2 New knowledge

Besides applying previous knowledge, also new methodologies and tools were used. The major new knowledge gained refered to the whole process of **launching a new product**. This included the importance of conducting several surveys and concept testings where three concepts were tested against each other in a set procedure. Here, I also gained further knowledge concerning **focus groups** as a **research method,** for instance the „round robin" where differing concepts are tested against each other. Also the conduction of a **quantitative** survey in terms of how to structure and formulate questions was insightful. Furthermore, for me it was valuable to learn how to structure a **business plan** and to discover which information is key for **investors** since my studies did not cover this entrepeneurial aspect. A learning process took also place in terms of the **financial analysis** of the project by applying a sensitivity analysis and finding out which numbers are a realistic estimate for reaching awareness, interest and conversion. Concerning the conduction of projects I learned that it is very useful to outline a plan with responsibilities and deliverabes in order to keep track.

3.3 Personal experience

Overall, this business project aided me in gaining new valuable skills. In terms of academical skills, I noticed that my **strengths** reside in Marketing, based on various courses and internships that provided me with the Marketing tools. Referring to social skills, my strengths are based in organizing group meetings and to conduct them in an efficient way. This included taking the initiative to derive at final conclusions after intense discussions. Furthermore, I often initiated dividing tasks fairly among the group and setting deliverables, keeping the overall project timing in mind. Yet, I also noticed some **weaknesses**. In terms of academical knowledge, gaps arouse when conducting the financial analysis and when developing the business plan. Moreover, mostly at the beginning I did not know where to set my priorities in terms of doing research and which tasks to conduct first. Moreover, I had problems with deriving at conclusions too quickly without any deeper research, although this was necessary due to time constraints. Also, my way of thinking is very much oriented according to certain structures or rules, not leaving enough room for creative ideas and thinking out of the box. This leads to one of my first actions for **improvement** in the future by taking a step back, leaving set frameworks behind and considering the whole picture. Moreover, when facing new tasks I will now set priorities according to deadlines and the importance of the task. In addition, my goal is to derive sooner at conclusions when further analysis is out of scope.

3.4 Benefit of hindsight

As a conclusion, the business project was an enriching experience in manifold ways. In the course of the project, brainstorming sessions and discussions were held frequently involving every group member and leading to **valuable** outcomes. This also formed a group spirit with every group member participating equally and leading to a beneficial group dynamic. Next, two field trips to Porto further enhanced the cohesion of the group by visiting a furniture fair and meeting up with Rosa to present and discuss crucial new findings. This meeting also showed the importance of keeping Rosa involved in the project. Our approach of conducting comprehensive quantitative and qualitative research helped to discover that an alteration of the product was necessary. Concerning **improvements,** the team meetings could have been conducted even more productive, for instance by assigning every other week a new team leader. Also, our team did not seek extensive assistance from our academic advisor. Here, we could have initiated more team meetings with him and we could have also enhanced the communication with Rosa. Yet overall, I am convinced that within the given scope of the business project we derived at a prosperous business project outcome in a team where fun and learning coexisted which made this business project an enriching experience.

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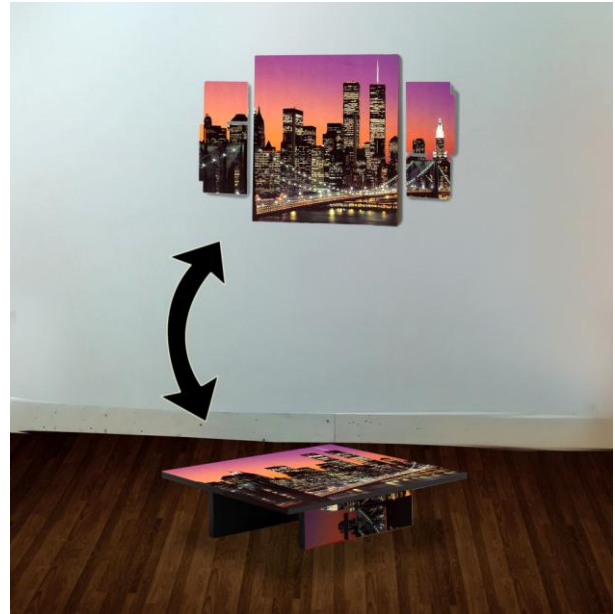
Appendices

Appendix 1: Product "Tryptic"
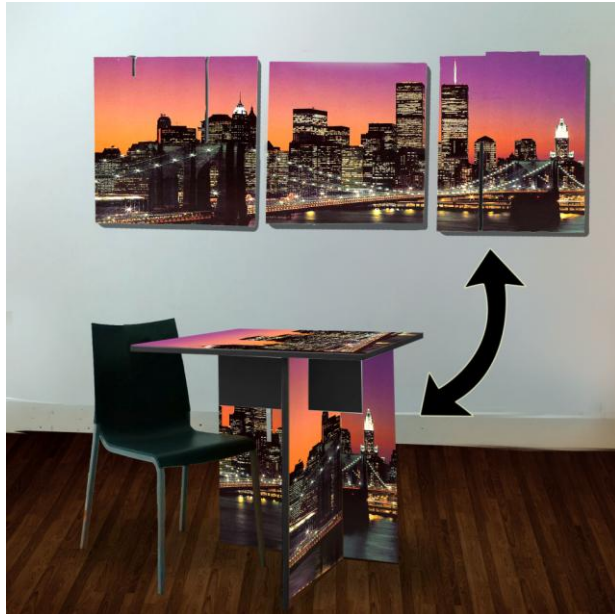
Tryptic L: *Regular table*

Options available: Picture
Measurements: Top plate:75x68cm, Height:77cm
Material: Plywood

Tryptic S: *Low coffee table*

Options available: Picture, Chalk, mirror
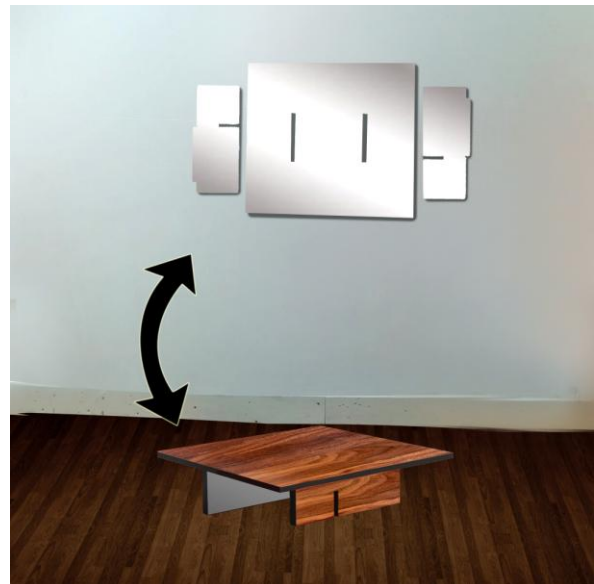Measurements: Top plate:75x68cm, Height 30cm
Material: Plywood

Additional options
Chalkboard
Materials: Plywood, chalkboard paint

Mirror
Materials: Plywood, Acrylic mirror

Source: Business Plan Shelf Life (2014)

Appendix 2: Segmentation

Segment	Description of Segment
Uniqueness Lovers	• Value unique products that are different to the mainstream • Look for "conversation starters" or cool home gadgets
Art Affined	• Are interested in art objects • Value products from popular artists / designers
Simply the Best	• Value high prestige brands • Use their home as a status symbol
Simply Something	• Are interested in finding solely some sort of products for their home to fill empty spots • Usually mass produced decoration, low-end
Functional Decorators	• Are interested in products with provide additional functions • Utility (i.e. saving space) is valued

Source: Business Plan Shelf Life (2014)

Appendix 3: Roadmap

Source: Business Plan Shelf Life (2014)

Appendix 4: Key financial data

		Y1		Y2		Y3
Sales	€	133.403	€	176.425	€	233.322
COGS	€	82.956	€	109.710	€	145.091
Gross Margin	€	**50.446**	€	**66.715**	€	**88.231**
as % of Sales		*37,8%*		*37,8%*		*37,8%*
SG&A	€	23.231	€	22.800	€	22.800
Marketing Expenses	€	6.148	€	1.648	€	1.648
Total Other Expenses	€	**29.379**	€	**24.448**	€	**24.448**
as % of Sales		*22,02%*		*13,86%*		*10,48%*
EBITDA	€	**21.067**	€	**42.267**	€	**63.783**
as % of Sales		*15,79%*		*23,96%*		*27,34%*
Tax	€	5.267	€	10.567	€	15.946
Net Income	€	**15.801**	€	**31.700**	€	**47.837**
as % of Sales		*11,84%*		*17,97%*		*20,50%*

Project Overview

|	Y1	Y2	Y3
Number of Stores	100	120	144
Units Sold	1.213	1.604	2.121
Units Sold per Store	12	13	15
Growth of Stores	20%		

Sales per Store

Marketing		Y1		Y2		Y3
Entrance fee Design Contests + Fairs	€	500	€	500	€	500
Web Design	€	1.000				
New Promotional Video	€	500				
Viral Campaign	€	3.000				
E-commerce solution	€	348	€	348	€	348
SEO	€	800	€	800	€	800
Total Marketing Costs	€	**6.148**	€	**1.648**	€	**1.648**

Marketing Costs Forecast

Initial investment needed: **€25.000**

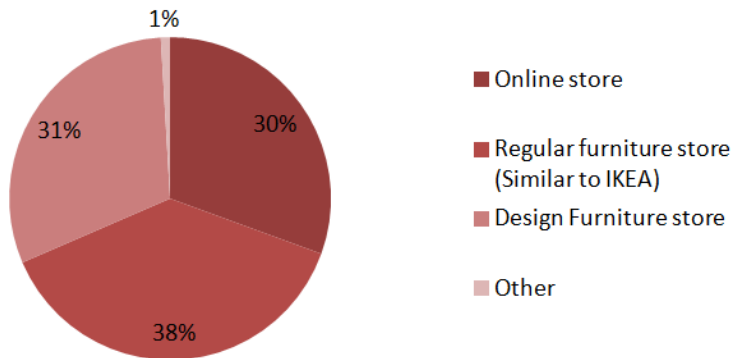*Source: Business Plan Shelf Life (2014)*
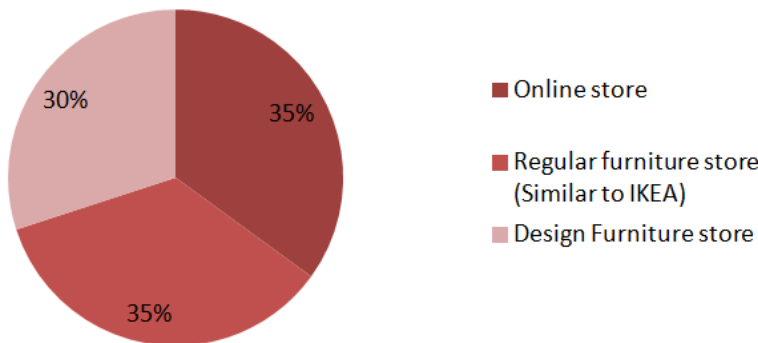
Appendix 5: Enablers and Limiters of e-commerce
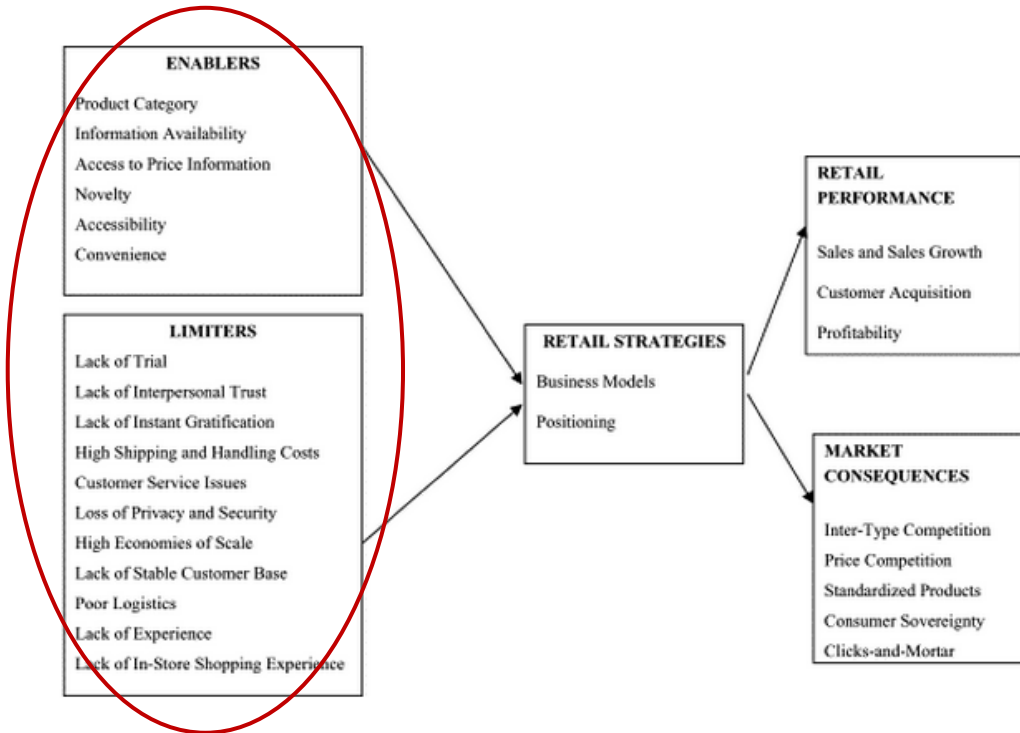
Source: Grewal, Iyer, Levy (2004)

Appendix 6: Questionnaire Results – Distribution Preference in % of Sales

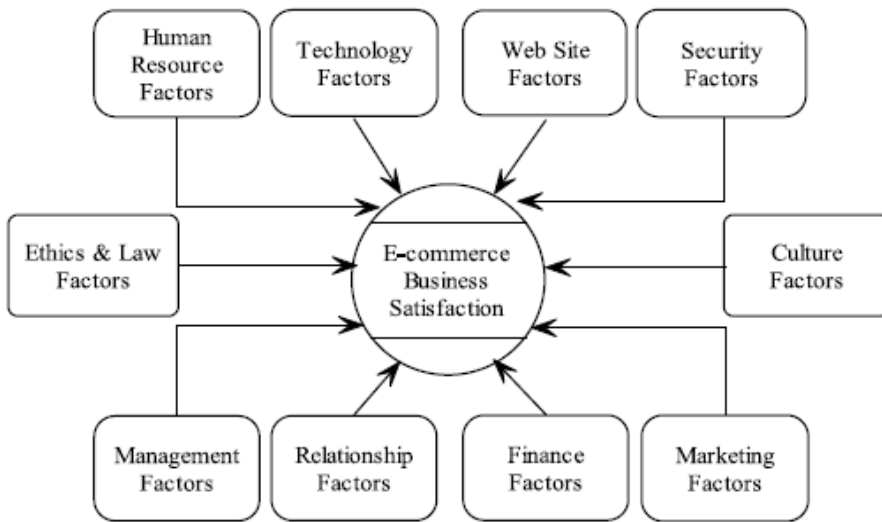*Among all participants:*

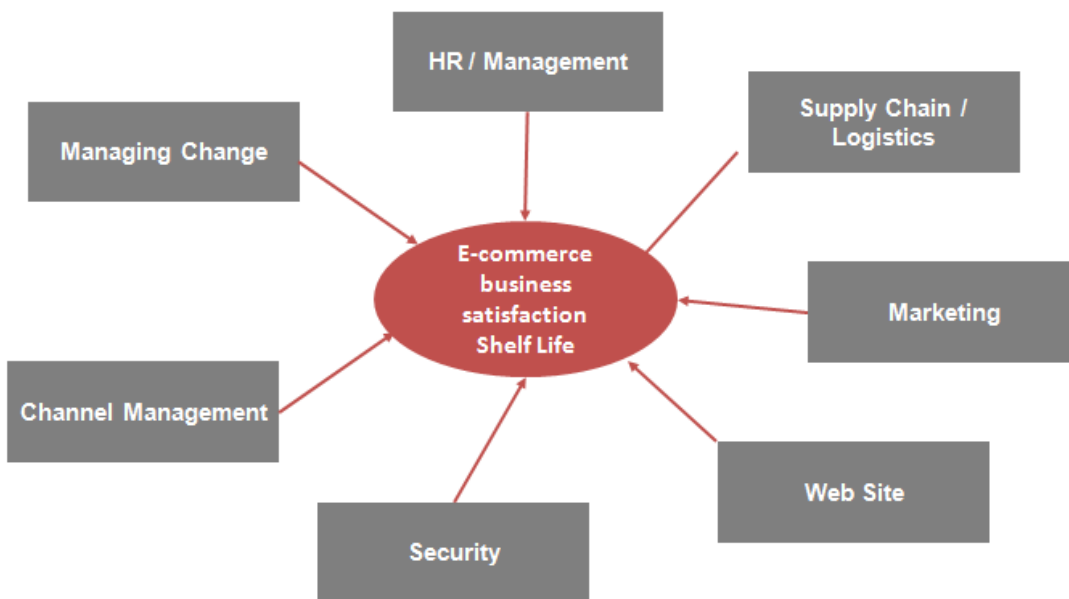*Separate evaluation of only Portuguese respondents:*

Source: Questionnaire (2014)

Appendix 7: E-commerce business satisfaction model

Source: Wu, Gide, Jewell (2013)

Appendix 8: EBS model adapted – E-commerce critical success factors for Shelf Life


Source: Own creation. Adapted from Wu, Gide, Jewell (2013).

Appendix 9: E-commerce tools / software for small businesses

| Company	Type of tool	Description
Shopify	**Online store builder**	• Create an online store with no website development skills necessary • Choose from more than 100 website designs and add the products • Websites are customizable • Including a secure shopping cart that can accept VISA, MasterCard and American Express • Starts at $14 a month
3dcart	**Online store builder**	• Program accepts all major credit cards and PayPal • No HTML or programming expertise required • Starts at $10 a month
Square Market	**Online store builder**	• Easy and quick set up • All major credit cards accepted • No monthly fees; when sale made merchants pay at a rate of 2.75% per sale
PayStand	**Payment service**	• All-in-one payment service • New model for payment transaction which saves businesses as much as 75% over traditional metods • Can be implemented starting from $24 a month
Vee24	**Customer engagement platform**	• Uses video technology to allow online retailers to engage with their customers as well as answer any questions and concerns • Make customer service simple and successful
Lettuce	**Inventory management**	• Aids in management of inventory and to get orders filled quickly • Designed specifically for small businesses • Consolidation of multiple back-end functions from order-processing to accounting into one single click • Packages start at $39 for one user
Volusion	**All-in-one e-commerce solution**	• All-in-one e-commerce solution • Provides all the tools companies need to start selling and growing their business online, such as an e-commerce website builder, shopping cart and Web hosting service • Easy inventory management, order processing and returns • Built-in search engine optimization (SEO); social media tools • Starts at $15 a month
Etsy	**E-commerce marketplace**	• For unique products • Fees include a 3.5-percent transaction fee for each sale and a listing fee of 20 cents per item

Source: Business News Daily (2014)

Appendix 10: Augmented Reality Furnish App
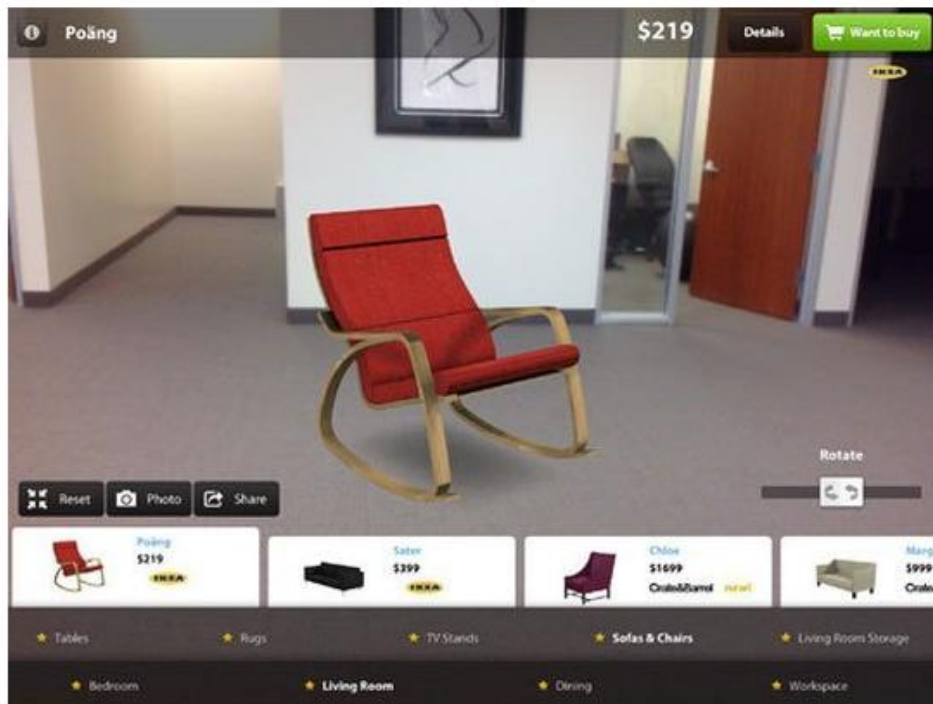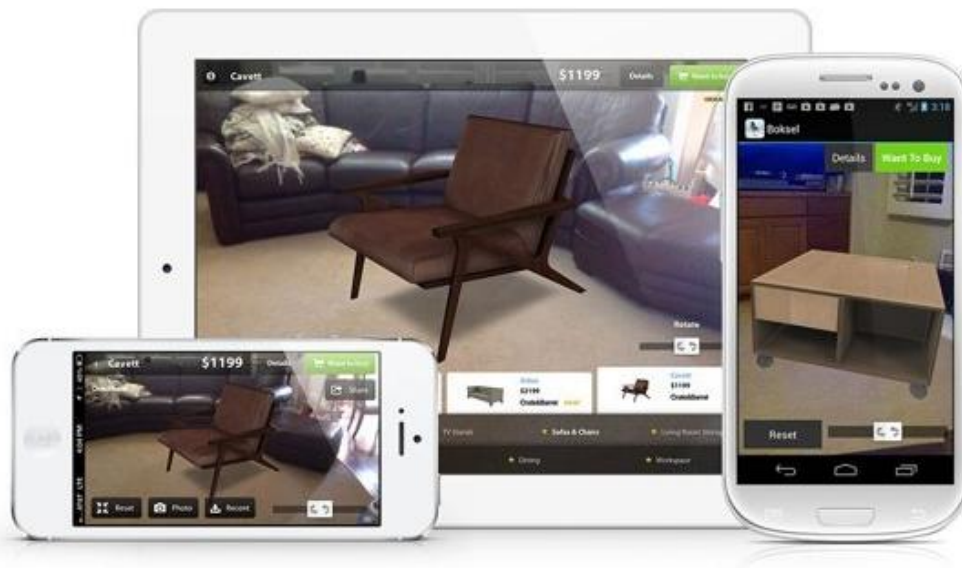
Source: Apartment Therapy (2014)

Appendix 11: Examples Website Designs
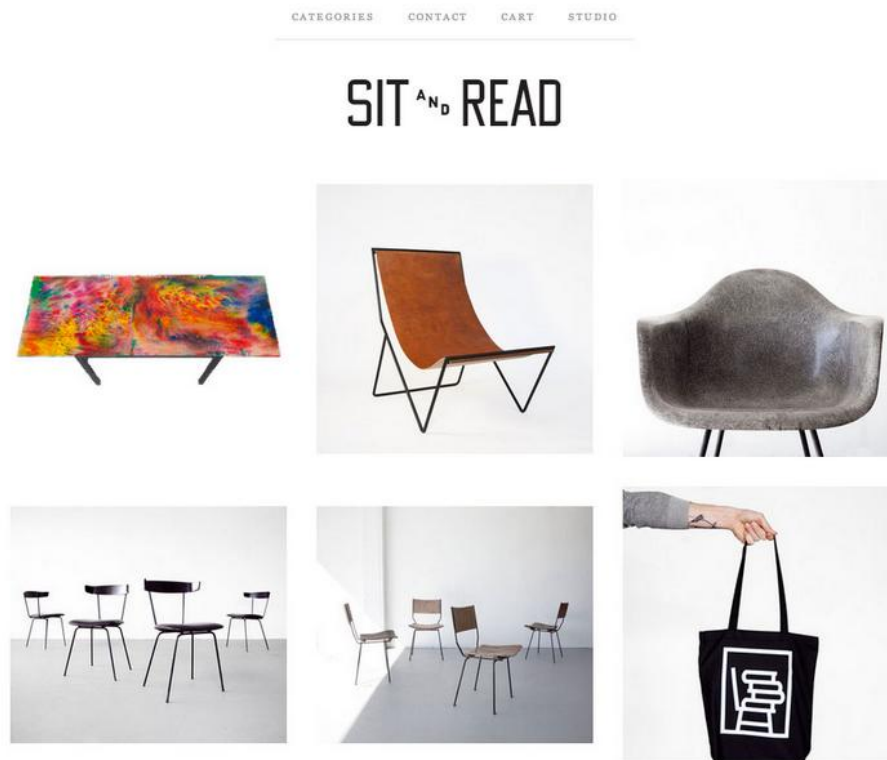
Source: Sit-read.com

SPACE SAVING

Go from 4 to 6 places in under a minute, with the stylish Edelweiss extending table.

UNDERSTATED

Fittings in contrasting colours make a feature out of the functional in this Scandi-inspired range.

AFFORDABLE DESIGN

Superb design at an affordable price - the Edelweiss is a great value extending table.

COMPLETE THE LOOK

Matching bent wood chairs create a streamlined look, filled with understated modern chic.

Delivery and returns	
Get this *dispatched*	*Within 3 - 4 weeks*
Standard delivery price	*£29.95*
Our delivery and return policy	

Product Dimensions	
General Dimensions	*W170/ 210 x D95 x H74cm*
Packaging Dimensions	*181 x 106 x 14cm*

Product Details	
Top	*Engineered wood with ash veneer. Made from natural wood - some variation in the colour and finish is normal.*
Frame and connectors	*Metal - white*
Legs	*Solid ash*
Special feature	*Extending design. Flip the catches to pull sides apart, insert the extra section and lock catches to secure*
Seats	*4-6 people*
Assembly	*Required*
Weight	*59kg*
SKU	*TBLEDE003WHI-UK*

Source: Made.com