



Expanding your Business with E-commerce Software

Introduction

It's hard to believe that e-commerce, a sales channel which has revolutionized the way so many companies do business, did not even exist 15 years ago.

Nowadays it seems like everyone is selling their products online. However, if you are one of the companies who have not started selling their products on the internet, you don't have to be left behind. You can learn to leverage the tools and technology that simplify expanding into e-commerce.

How did we get here?

The internet has made the American Dream possible for businesses that never would have had the chance before the internet age. Companies that wouldn't have been able to raise enough capital to build brick-and-mortar stores internationally, have successfully built a customer base and sold their products online globally. Retailers in small towns have had the opportunity to take advantage of the extra space and inexpensive real estate for large warehouses, while not being limited by their remote location. Business can sell to their customers 24 hours a day, 7 days a week, 365 days a year, no matter where they are or where the consumers are. It is also a relatively cheap way to sell, cheap enough that even small companies have been able to compete against larger companies.

It is no wonder there are so many online stores around the world. Some operate only on the web or generate most of their business on the Internet, while some others use online sales in addition to their traditional business, but the fact of the matter is: online commerce generates 200 billion dollars



annually in the US, 66 percent of adults have purchased something online and 93% have researched a purchase or bid-on an internet auction.e-commerce has completely changed the landscape... and if you doubt that – just think back to what it was like trying to buy airline tickets before you could purchase them online.

A Ray of Sunshine

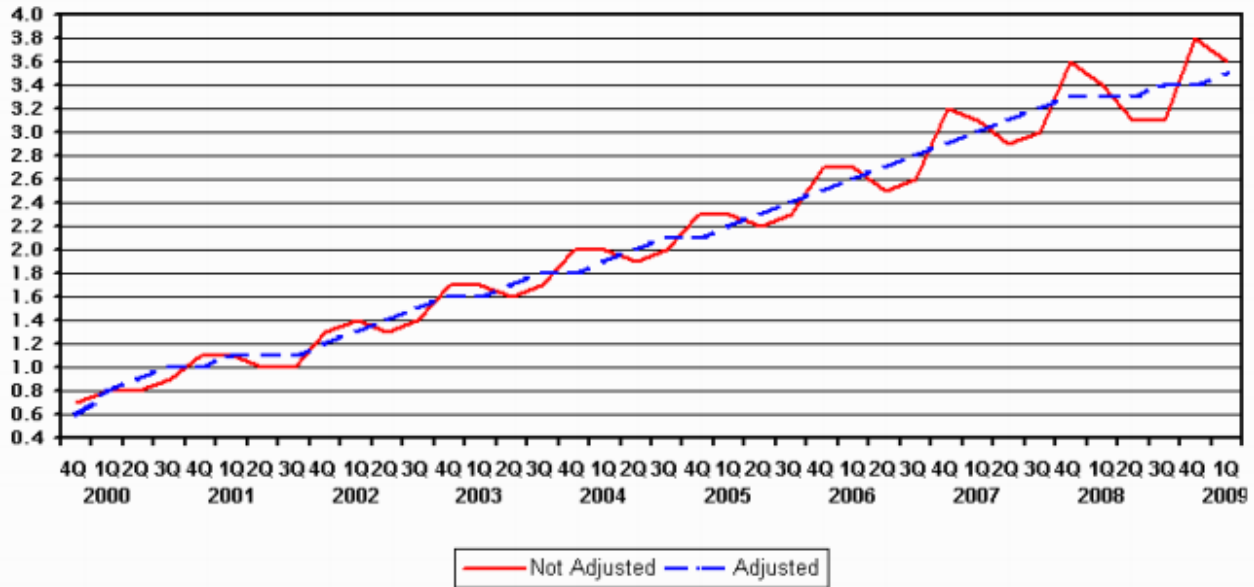
Internet sales, while not impervious to the economic downturn, have not been as hard-hit as total retail sales, and brick-and-mortar retail sales. Perhaps partially due to the fact that bargain-hunting consumers are finding it easier and more convenient to do their price comparison shopping and purchasing online.

Shop.org, a division of the National Retail Federation, and [Forrester Research](#) conducted a "flash" survey of some 80 retailers in April. Of those retailers **58% saw online sales increase in Q1 of 2009 - 44 percent had seen double digit increases** in online sales, and an additional **14 percent of respondents had sales**



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Estimated Quarterly U.S. Retail E-commerce Sales as a Percent of Total Quarterly Retail Sales:
4th Quarter 1999–1st Quarter 2009



*Source: U.S. Census Bureau

increases of up to 10 percent. The Shop.org survey reflects the findings of a similar Practical e-Commerce survey, which showed **34.6 percent** of respondents saw double-digit online sales growth for the quarter.

Marketing research shows that more and more clients are confident shopping online. While 10 years ago, many customers wouldn't dare give their sensitive credit card information over the internet, today it is so common that most consumers do so without batting an eye. At this point, the internet age is well established.

E-Commerce software to establish a Web shop.

So you've made the decision to set up an e-commerce shop. What's next? Well the answer will largely depend on the size of your business. With so many e-commerce software options on the market, how do you choose the right one? Before you start searching, you should understand the different categories of solutions that help you establish an online store:



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1. Turn-key Solutions

If you are a big player with a lot of money, you can invest in a proprietary solution; a system built and customized 100% for your specific company, so that you can avoid problems related to data synchronization. It sounds wonderful, but most companies do not have the capital for this kind of system because it is such a large and involved IT project. In addition to the cost of set-up, it is relatively expensive to maintain because you incur server maintenance costs.

2. E-Commerce Platform

Used by most online retailers, this type of solution is easier on your budget, but the solution itself is not particularly sophisticated. It offers the basics:

- Browsing by categories of product
- Allowing you to insert product pictures
- Limited data transfer (amount of data that is transmitted to and from your Web site)

Software providers usually allow you to choose from several levels of service when you set-up the website.

The only drawback is that sooner or later, you may realize you need more server space and transfer capacity. Then, after boosting it several times you may find you've reached the limit, at which point you have 2 choices; you can either suffer with the existing limits or choose a new platform, which may also become too small, too quickly.

What about management and maintenance costs? Typically, with this platform, you will have several separate software systems to manage different parts of the company.

In this situation, transferring and synchronizing data can be a challenge. In addition, software integration can be difficult for the following reasons:

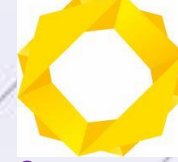
- It requires programming
- Data compatibility poses a problem
- Every software update within one system makes it necessary to make changes on the other one

The challenge of keeping multiple systems integrated when data flow is updated daily can cause mistakes, requires additional labor, and therefore adds additional costs to your operation. Not to mention all the server maintenance monthly fees!

3. E-commerce integrated with ERP

The main advantage of this type of solution is that it takes the best practices of the two options above, while limiting the drawbacks. This solution does not require you to integrate anything because it is already fully integrated. Obviously, you will incur some initial costs, but this is significantly less than you would with turn-key solutions, and you won't have to spend money on additional server services.

Let's take a closer look at this type of solution by examining the features within one example, Comarch ALTUM with the e-commerce Module. Because the Comarch ALTUM's ERP system will be running behind the eStore, all the inventory and sales management is completed on the central server. You can have as many e-Stores as you want, accompanied by physical point of sales, all of them administered from the central database. This means that any operation made in the central database server is immediately visible in the e-Store and other peripheral applications, and viceversa. The system can improve your inventory management and sales in the following ways:



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Products can be offered on the web instantly

When articles are received into the warehouse, they instantly show-up in the e-Store application, you will no longer have to manually update the item's data, which will allow you to save time and labor.

Live stock status tells you and your customers which items are available for immediate shipment.

You can set the system so that, while browsing your products, your client is only able to order the articles that are currently in stock. There is no need to check inventory levels. At the time of purchase your customers can be sure of the article's availability; and you won't have to call or send your customer an email letting them know the item is on back-order. This can improve customer satisfaction because they are served faster with no disappointments, and at the same time it decreases your costs from potential returns.

Workflow automation improves cycle time and generates most documentation instantly.

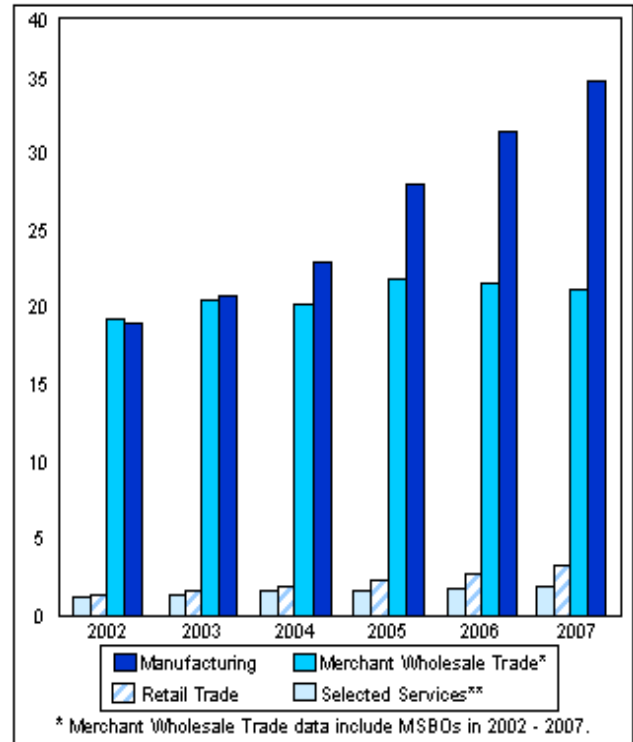
Every online purchase from your customers creates an order document and reserves the items in the warehouse. In case you run out of an item, the system will hold further sales orders, informs you about the situation and can automatically generate purchase orders for the missing items. Or if you would prefer, the system settings also allow you to sell below inventory levels.

Implementing successful promotions and effective loyalty programs is easier than ever.

In Comarch ALTUM, you can set-up several price lists, with multiple parameters for pricing. Each price list can be activated automatically, by assigning a date range to trigger activation, and then they will be immediately applied within your e-Store. Additionally, you can join together several types of discounts to create creative, effective loyalty programs.

E-commerce as Percent of Total Value: 2002 – 2007

Tracking your online customers and analyzing your



Source: U.S. Census Bureau

best-selling products, so you can tailor your promotions and discounts effectively

All sales information is stored within the Comarch ALTUM central database, which enables further analysis using a fully-integrated Business Intelligence tool that allows you to easily analyze sales, purchases, and warehouse status. The BI tool will help you compare effectiveness between your stores (online and onsite), detect best-selling products or most-valuable customers, find degree of sales orders

ource* U.S. Census Bureau



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completion, identify average days of sales, payment and cash-flow analysis among others. With Comarch ALTUM you will have access to a powerful tool to help you detect bottlenecks and weak points of your business, optimize processes and reduce costs.

Conclusion

No matter what type of product you sell, implementing an e-commerce solution that integrates one software solution across all your departments will help you streamline your business, improve efficiency and order cycle time, eliminate extra costs and potential mistakes.

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