

JILDOR: PRESENT AND FUTURE INTERNET STRATEGY

Team “a”

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Jildor (aka Jildor Shoes) competes in the crowded and competitive online shoe market. An analysis of Jildor's current strategy shows it is noncompetitive with major competitors. Jildor will implement technological improvements to the website, work with our shoe vendors and logistics partners to improve shoe price and selections, distribution and convenience for our customers. Jildor will institute competitive advantages to further the customer experience and engage in social networking to create customer conversations. These actions under the 7Cs framework will create a comprehensive customer experience to increase sales.

Company Information Considerations

Jildor is a shoe retailer for women of all ages, but our marketing strategy will target the niche consisting of women between the ages 18 to 34. As Appendix A shows, millennials are spending more money online than any other age group, nearly \$2,000 annually (Smith, 2014). Our price points are attainable for any income and our suggestive selling, through software behavioral targeting, will provide personalized recommendations.

Jildor customers appreciate our company's commitment to stellar customer service. Our website is frequented by consumers that are looking to be advised of the latest trends and want to read our blog for recommendations and then conveniently shop our website. This ease of use and confidence in our diligent security measures makes our customers loyal. Jildor is an active member of the community; our customers value and respect our involvement and charitable contributions to The National Breast Cancer Research Foundation. To encourage our customers to contribute, we will offer additional incentives and rewards.

Jildor shoppers are concerned about making a statement with their personal style and want to be noticed for their look and lifestyle. Compliments they receive will offer an opportunity for peer-to-peer marketing, creating a new customer as well as a loyal influencer. Loyalty with have incentives, offering the ability for each buyer to become a member of our loyalty program and email marketing campaign called "Avant-garde." Monthly newsletters highlighting our blog and the latest trends along with special offers will be awarded to these elite members. Our loyalty program will be woven into our brand to ensure a seamless experience for our customers.

Infrastructure Considerations

With daily headlines of data security breaches, 87 percent of online shoppers believe adequate safeguards are not in place to protect their personal information (Accenture, 2014). At Jildor, we recognize that privacy and security of online shopping is a purchase barrier for many customers. Therefore, we will take every measure to ensure secure transactions without jeopardizing the user experience.

The collection and storing of personal information is the top security concern of shoppers, therefore Jildor will ensure that every web page on our site that deals with secure data is Secure Sockets Layer (SSL) certified and our payment gateway is Payment Card Industry (PCI) compliant. Adding another layer of security, we will not retain any data that is susceptible to theft, such as credit card numbers. Additional infrastructure security measures will include firewall and proxy servers, an intrusion detection and prevention system and cloud-based Distributed Denial of Service (DDoS) protection service. A security plan will also be established to ensure ongoing security updates and a rapid response if issues arise.

With two-thirds of online shopping carts abandoned (Baymard, 2013), our goal is to minimize this by introducing a number of features that address the key reasons for such abandonment. This starts with enabling a wish-list component that allows users to save ‘window shopping’ items for future reference that can easily be migrated to a shopping cart. A single page check-out process will also be used for efficiency, particularly for shoppers accessing via a mobile device. Suggestive selling techniques will serve to create awareness of complementary products or those they may have viewed in the past. Other attributes of the check-out process include the elimination of unexpected costs, a top reason for cart abandonment such as tax information (Macdonald, 2013), display of security logos, highlighting customer support,

recognition of free shipping and the ability to support multiple forms of payment, including credit cards, Paypal, Amazon payments, Bill Me Later, etc.

With 55% of time spent with online retail coming through mobile devices, (Simicki, 2013) ensuring a positive experience regardless of the user's device is critical. To accomplish this, we will use a responsive web design that renders pages that best match the device the website is accessed. This not only ensures a great user experience, it eliminates the need to build and maintain multiple versions of the site.

Discussion of Supply Chain Activities, Product Distribution

American Express Survey states that 3 in 5 American (59%) would try a new brand or new company for a better service experience. Jildor will create an exceptional customer service experience from the moment a customer enters our website to the actual delivery and beyond. To ensure the best customer experience we will implement an intuitive and user friendly website, free and timely delivery, customer interaction before, during and after the product has been received, and follow up with the customer after their purchase. Amazon Prime, a service that includes unlimited free two-day shipping, has drastically boosted customer spending (Tuttle, 2013), as shown in Appendix B. Jildor will implement a free shipping and return policy to encourage sales (Hayes, 2013). We will work with our logistics vendors, such as FedEx, UPS and USPS, to optimize delivery time to 5 business days or less from the date of purchase.

Marketing Consideration w/Sales and Consumer Interactions

Our competitor, Toms shoes, promotes their "One For One" program whereby a pair of shoes is donated with every shoe purchased. Jildor plans to implement a partnership with The Breast Cancer Research Foundation. The packaging will be personalized with pink tissue paper

covering the shoes and artful shoe boxes to coincide with our breast cancer charity message. For every customer that has donated towards our charity, each shoe purchase will include a pink ribbon and a personal thank you note on behalf of Jildor and the Breast Cancer Research Foundation.

Jildor's advertising strategy will focus on our targeted female demographic. To reach our customers we intend to advertise through Facebook, Twitter, Pinterest, fashion websites, fashion magazines for indirect branding purposes and use search and mobile advertising for direct sales. We intend to integrate social media by offering fashion bloggers the experience of purchasing a free shoe through our website and do promotions showcasing customers with their Jildor shoe purchases. To communicate and promote our shoes we will establish a Facebook Twitter, Instagram, Pinterest and blog account (Scwartz, n.d.), constantly updating them to encourage customer interaction and build customer loyalty. We will also implement a rewards program that will update customers to flash sales, coupons, customer appreciation days at our stores and instant discount for repeat customers. Jildor customers will have the ability to interact with customer service representative through online chat, video chat, telephone or in person at our stores.

Website Designed to Meet Company's Objectives and Strategy

Strategically, Jildor will be positioned as a lifestyle brand, with a focus on women's shoes. Our brand and unifying presence will be consistent throughout all interactions with customers to convey this lifestyle. We view our website, Jildorshoes.com, as the central unifying medium tying together our message, customer relations and interactions.

Our goal of being viewed as a friendly, reliable company that is easy to shop with comes across through the website. Minimizing clutter on the site and providing a natural, intuitive shopping experience aligns with this perception. Jildor will leverage analytical and personalization capabilities from a third party solution, aka behavioral targeting, to analyze shopping and purchasing behaviors across our platforms and recommend products that are most relevant to them. We believe this will provide a superior experience while helping to eliminate the frustration that 74 percent of shoppers feel when websites offer content or ads that appear have nothing to do with their interests (Janrain, 2013).

Our commitment to the health and well-being of today's busy female comes across in our omnipresent support of finding a cure to breast cancer. The website plays a key role in this commitment by highlighting awareness campaigns and direct financial contributes to research and awareness. During the shopping process we show the dollar amount that each purchase contributes to The Breast Cancer Foundation while also allowing customers to make additional micro donations during the checkout process.

Supporting Internet Activities

As noted, Jildor will use social media as a driver to Jildorshoes.com. In a study conducted by Vision Critical, 40% of social media users have purchased an item after "liking" or "sharing" it on Twitter, Facebook, or Pinterest (Seave, 213). The use of social media in marketing also enables peer recommendations to play a much greater role in purchasing decisions. Influencer marketing, which identifies and targets individuals that have influence over other potential buyers, is magnified in social media (Wong, 2014). "Everyday" consumers have an impact on

marketing and their sphere of influence is their social network. Our demographic is everyday women who will look towards these influencers to help turn them into modern day fashionistas.

The first social media platform we will engage in is Twitter, and our handle #MyJildor will stream on the homepage of Jildorshoes.com. We will have a direct link to the community and their reviews and encourage uploading images of themselves wearing their recent purchase. The feed will be monitored by Jildor's social media team to thank each customer for a positive review and to respond to negative reviews with honesty and sincerity (Syme, 2013). By directly engaging each tweet, it will display our company's unwavering commitment to a quality customer service experience.

Jildor's blog will be visible on our website and as well as provide the option for our customers to subscribe to our blog. Currently, the site displays images only of the shoes and the blog lacks social interaction. The blog will depict real women wearing the shoes in relatable settings and feature visually appealing product collages that incorporate similar themed items together. The writing will describe the latest shoe trends and will be intriguing and witty to draw the reader in. The customer can envision themselves in that lifestyle, and then easily access the site to make purchases.

Pinterest, a social media concept driven entirely by visuals, will be incorporated to promote images of our shoes and brand. When the user clicks on our image they will be directed to our website. Jildorshoes.com will incorporate the use of the on hover "Pin It" button which will appear over images on the site when a user hovers the mouse over them. This will drive referral traffic. Our social media team will engage social influencers (Appendix C) and take the

time to comment on their pins, building a relationship and create visibility to new audiences (Hemley, 2013).

In each of our social media endeavors, Jildor will engage the customer directly. Social media is not about advertisements but an engaging conversation. Our social media team will be empowered to be a voice for the company and a real person the consumer can reach out to and receive a response, resulting in frequent visitors to the site and a loyal customers.

Current & Future Company Physical & Internet Strategy

Our competitors, Zappos and Toms, have incredible branding and reputations. Zappos is known for their “powered by service” mantra, whereas Toms is known for their charitable “One For One” mission. These companies have dynamic websites that offer product feedback, reviews and interactions. Exceptional customer service are demonstrated by their generous shipping and return policy which encourages increased purchase orders. Jildor conducted a Strengths, Weaknesses, Opportunities & Threats (SWOT) Analysis, as shown in Appendix D, to determine future company strategies.

Jildor’s future depends on the 7Cs framework (Satterlee, 2001) to create a compelling shoe buying experience. Jildor will move beyond the staid story as an independent retailer since 1949 and create an integrated context. The content will focus on customer empowerment, as noted in our new logo: *give a girl the right shoes, and she can conquer the world*, and the website will be simplified. We will partner with the Breast Cancer Foundation, donating a portion of every shoe purchase towards the breast cancer fight, increasing our branding by indirect messaging. In addition to our physical stores we will have a mobile “shoe experience” van that will travel to various cities, building a community and fostering a sense of belonging

(Becker, 2014). Marketing will focus on blogs and affiliates (as part of connection to other websites), fashion magazines, search words but results will be analyzed by return on investment to ensure optimal use of capital. We will also use social media to communicate and engage in conversations with our clients and women in general, also part of community development. Our website will be uniform, however we will use behavioral targeting software to customize the customer experience by providing personalized recommendations.

As mobile internet usage has surpassed desktop usage (O'Toole, 2014), as shown in Appendix E, Jildor will provide the best mobile experience by creating a dynamic mobile application to further our customer engagement and ecommerce potential. Jildor will also provide free shipping and return policy. We will partner with Amazon, which has warehouses nationwide, to widen our distribution and ensure customers will receive their orders within 2 business days, besting our competitors. Jildor will go beyond exceptional customer care by personalizing the packaging and conduct follow up calls to clients to ensure their satisfaction. We will also provide price matching and 30 day price guarantees. All these actions form the cornerstone of our future strategy and implementation pledge (Appendix F).

Customers are hesitant to make online purchases due to fear of theft of credit card data (Lauden & Trauver, 2014). Jildor will implement encryption up to 512 digits, firewalls and proxy servers to safeguard customer data. Our website will also accept payments from Paypal, Amazon payments, Bill Me Later, etc., providing greater security as they do not expose financial information and have decreased merchant costs. Our website will allow customers to sign-on using other platforms such as Facebook, Amazon, etc. for greater security and ease of use. Orders over \$500 will be manually reviewed and the credit card holder will be verified to prevent

repudiation and credit card fraud. As 38% of customers consider lower price a major purchasing factor (Becker, 2014), these actions will lower our shoe prices, providing the Jildor Advantage!

Conclusion

Jildor's online shoe sales have been lacking. Management conducted a SWOT analysis to determine the current situation and implement future internet strategies to increase sales. The company mission will be changed to focus on our target market and portray the individuality and empowerment of our customers. We will partner with The Breast Cancer Research Foundation to fight for the same cause and utilize this in our indirect marketing message and branding.

The website will be improved to provide greater security features by use of SSL, 256 bit encryption, firewalls, proxy servers and detection and intrusion systems. Additionally, our website will never store any customer financial information. Features such as third party sign-on (aka tipping), use of third party financial companies, manual review of large orders, and online chats will provide greater security, increase website ease of use and improve sales transactions. The creation of a mobile application can further the customer experience.

The company policy will be upgraded to provide free shipping and returns, 2 day shipping within continental US, price matching, price guarantees and dedicate account representatives for our clients. Along with personalizing the packaging and calling our clients to follow up on purchases we will engage our customers through social media through blogs, Facebook and other platforms. Marketing will consist of traditional advertisement through fashion magazines as well as online social media platforms and search words; these costs will be analyzed by software to ensure the optimal use of our marketing budget. The strategies and

improvements, in combination with our physical stores and “shoe experience” van, will create a comprehensive customer experience and increase in sales.

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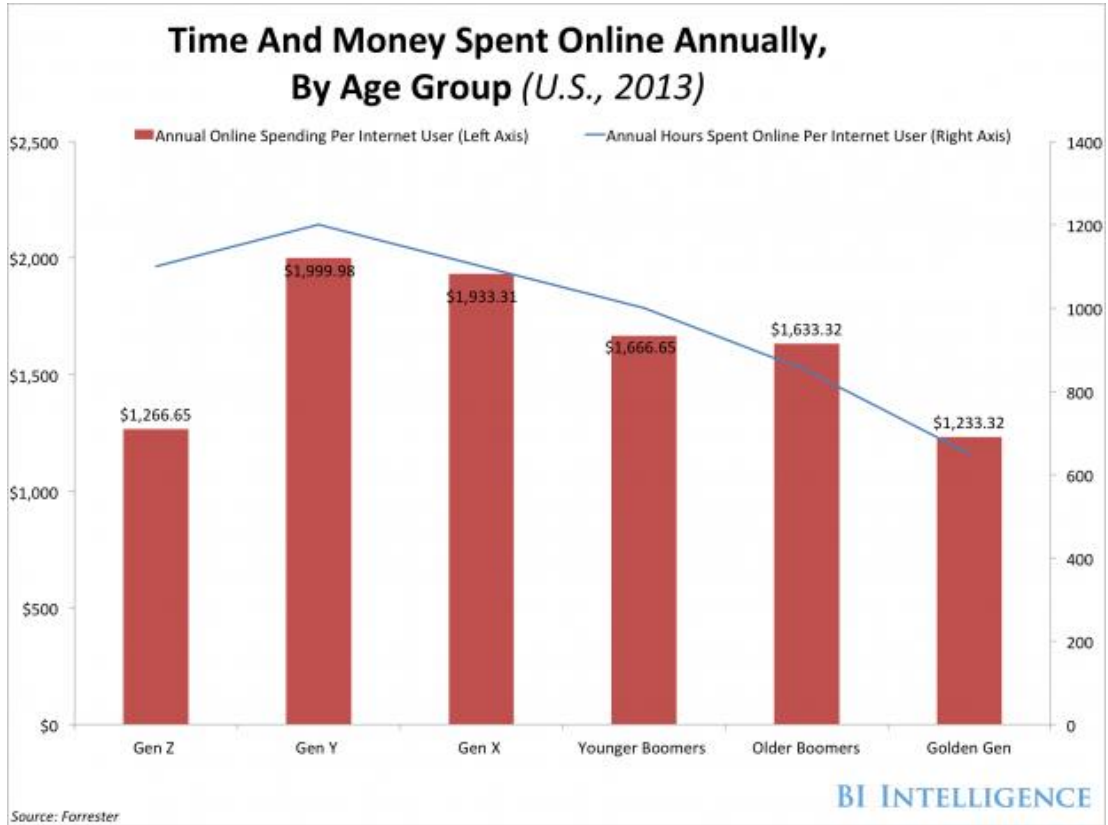
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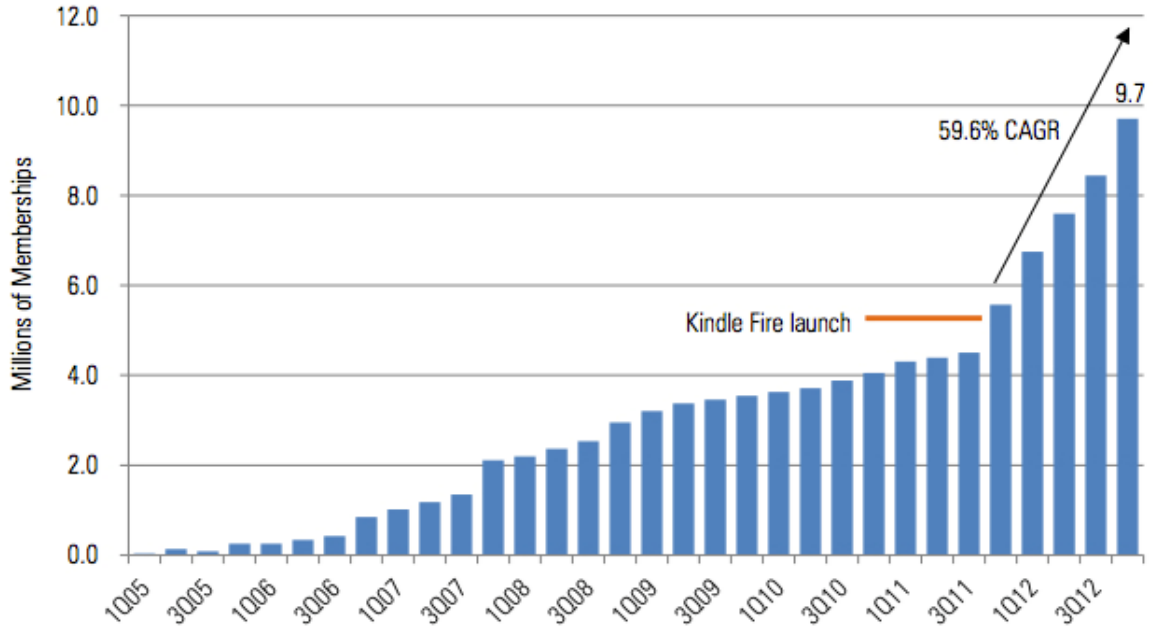
Appendix A: Time & Money Spent Online Annually By Age Group



Appendix B: Amazon Prime Membership

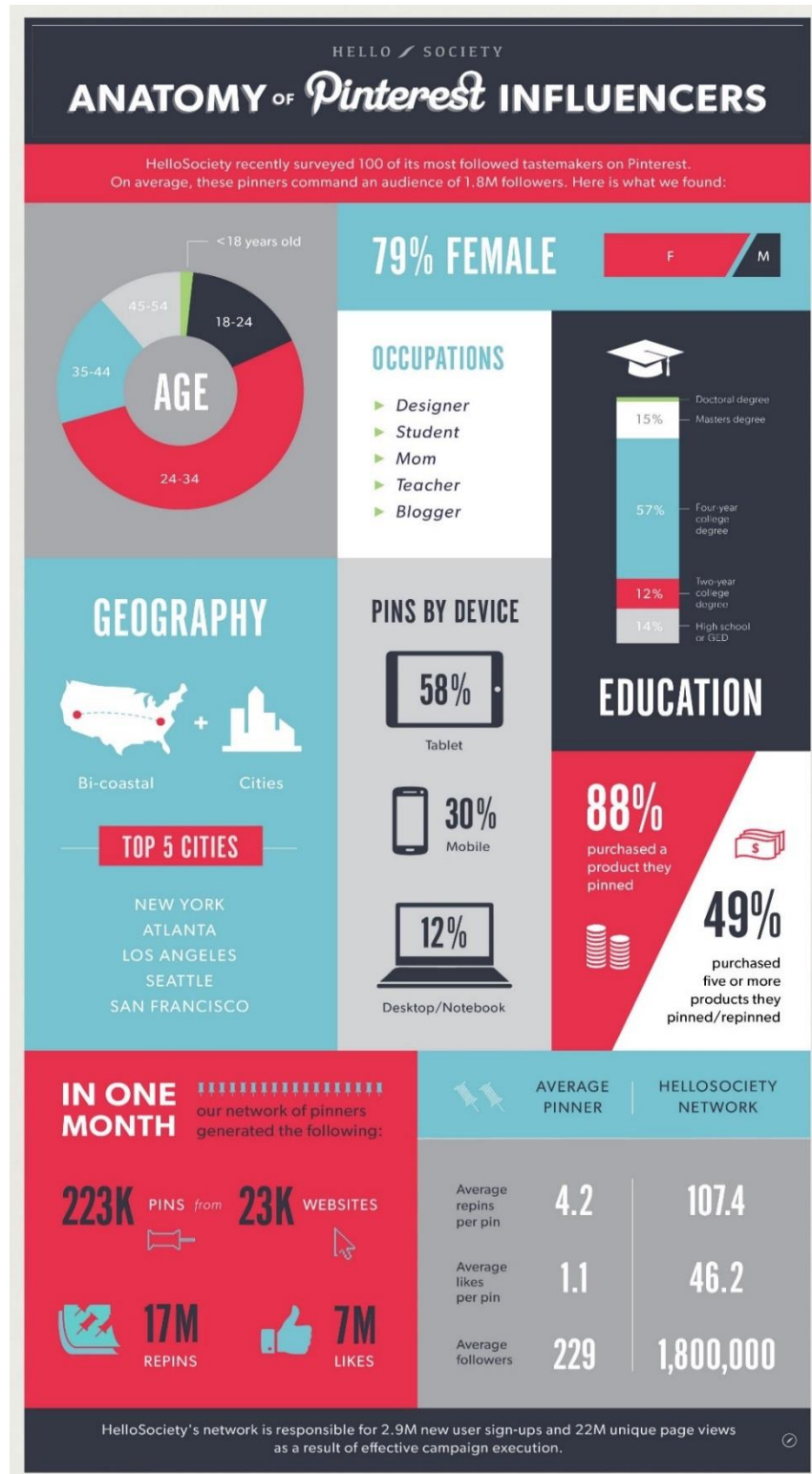
Exhibit 2: Amazon Prime Memberships Have Been Growing at a Rapid Clip Since 4Q11

Estimated Amazon Prime Memberships (1Q05-4Q12)



Source: Company filings, Morningstar.

Appendix C: Anatomy of Pinterest Influencers



Source: Hello Society

Appendix D: Jildor SWOT Analysis

Jildor SWOT Analysis

Strength

- Motivated employees are customer focused
- Longevity of employees with company
- Technologically savvy employees
- Focused market strategy on women shoes only
- Longstanding relationship with various shoe suppliers
- Large selection of shoes

Opportunities

- Improving economy
- Customers willing to change companies for better experience
- Satisfied customers are loyal
- Satisfied target market are adept at social media

Weakness

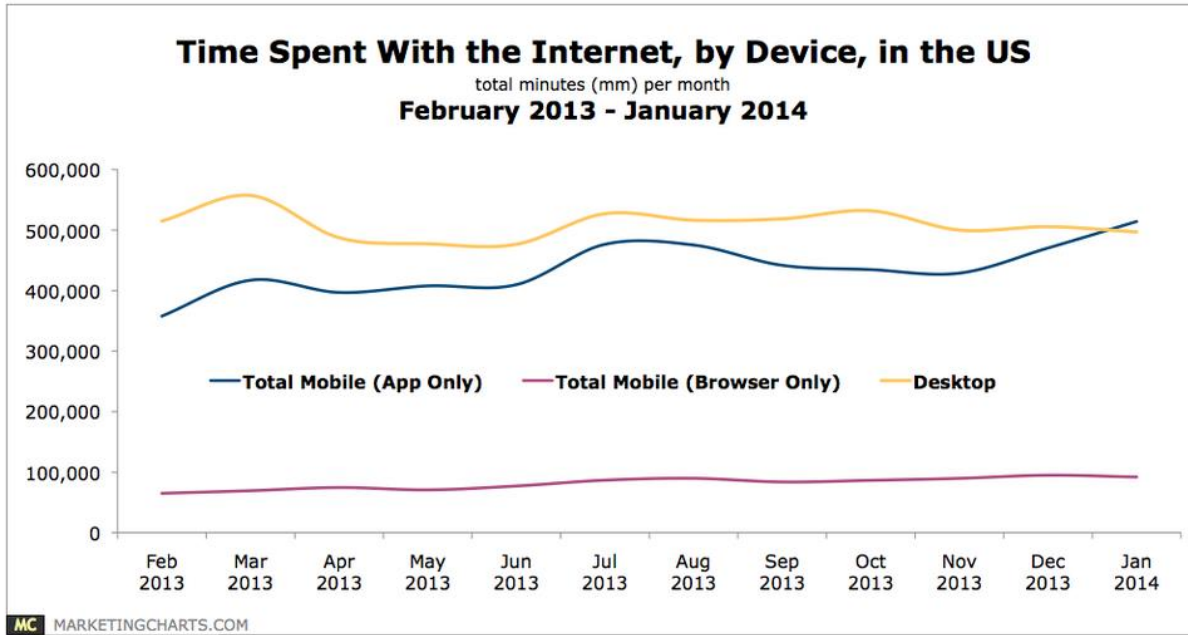
- Limited financial flexibility
- Limited marketing or social media presence
- Company does not have a relatable mission/story
- Company needs technologically upgrades
- Few differentiating features from competitors

Threats

- Competitors undercut our prices
- Suppliers enter into exclusives with competitors
- Large storm destroy our stores and warehouses in NY
- Unhappy target market are adept at social media
- Increasing cost of shoes and shipping

Appendix E: Time Spent On Internet by Device in the U.S.

Chart close-up from:
[In the US, Time Spent With Mobile Apps Now Exceeds Desktop Web Access »](#)



Appendix F: Jildor Future Strategy & Implementation

Future Strategy & Implementation

Marketing Strategy

- Implement new mission & partner with Breast Cancer Research Foundation
- Emphasize Jildor Advantages
- Assign dedicated social media team
- Advertise through blogs, affiliates, adwords & analyze cost by Return On Investment. Engage customers in social conversation. Encourage product feedback
- Utilize flash websites, eBay to liquidate excess, out of season inventory

Innovation & Technology

- Upgrade company & internet technology
- Improve internet security features
- Work with vendors & logistics to improve price & faster distribution
- Create an app to improve ease of use and engagement
- Allow sign-on via Facebook, Google, Amazon, etc.
- Institute free shipping & returns, price match, price guarantee, assign dedicated account representatives