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Achieving Process Excellence in the Marketing Department of a Startup through Data Analysis

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Abstract:

Process Excellence is a way of striving and achieving a stable continuous improvement in the overall performance of an entire business. In a multi-departmental organization, each department has a defined set of protocols, set of standards and benchmarks. Surpassing these benchmarks and standards is crucial for the growth of an organization. When targets are not met, then there is a need to probe and understand the reasons for the particular department to not function as per the set standards. Once the reasons are understood, then necessary and crucial changes are needed to be capitalized in the existing processes in relevance to the particular department. The analysis of the new adopted process will give an insight and throw light about the status of the improvement in the performance of the said department. Furthermore, it will show whether the new adopted strategic changes were a catalyst to meet; exceed the set standards of the said department or not. In this research work, the marketing department of an E-commerce startup is taken into consideration and Process Excellence is tried to achieve in this department in order to improve customer acquisition. The collected data is analyzed and necessary improvements are suggested, implemented and further analyzed in order to achieve Process Excellence.

Keywords: Process Excellence, E-commerce, Start-up, Customer acquisition, Marketing

1. Introduction

Irrespective of the size or nature of any organization, efficient management of the day-to-day tasks, however minor or major is very essential. Every organization has its own goals, and operations management plays a pivotal role in empowering the organizations to achieve these goals. Operations Management is multidisciplinary in nature and requires significant focus on process excellence, in order to ensure that the organization maintains operational efficiency which in turn will be leading to expected Return On Investment (ROI).

Process excellence refers to series of pre-defined steps which are put in place for executing tasks in different departments of the company including Marketing & Sales, Human Resource, Finance and Technical Support. Implementing process excellence in Operations Management of a Start-up Company is of significant importance and must be based on well-defined processes which help in standardization across all branches and departments so that there is uniformity in effort put in by workers and ensure that the company remains competitive in the current marketplace and will be able to sustain the market adversities. Being competitive is mission critical for any company, especially a Start-up. It is not enough to just become competitive, it's imperative to remain in the competition at all times. For this, the most critical aspect to be focused upon is customer satisfaction. Customer satisfaction emanates from the quality of initiatives undertaken by the company with respect to customer acquisition as well as customer retention. Operations related to customer acquisition are linked to the Marketing department of the company.

In view of the fact that marketing activities cannot be carried out independently in the company and since these activities are required to be carried out cohesively along with all other functions within an operational framework, it is important that the company implements processes for each task and sub-task. Further a Start-up company works with limitations on resources (both financial as well as human resources) making it imperative to implement the best practices and process excellence so that wastage of cost and effort is reduced and strategies being implemented generate maximum returns for the progress and development of the organization.

To carry out this research work an E-commerce startup based in India is taken into consideration. To be competitive on consistent basis, there are many methods which the company can adopt. Yet Data Analysis has been selected so that data from different sources can be collected, analyzed and there can be continuous improvement in the process and the company can constantly measure the success of its strategies and improve so as to remain competitive on a consistent basis.

Since the company is an E-commerce startup, therefore, at present, Vendor registration process is given more priority. Henceforth, in this work, the existing processes in the marketing department of the company will be closely studied in order to acquire maximum vendor registrations. Thereby, improvements will be suggested on the basis of the data analyzed in order to achieve process excellence.

2. Literature Review

For any research work to be carried out, it is very essential to understand what are the past findings in that particular area. This acts as a base to carry forward the research work. By understanding the findings published by various authors in different journals and other sources a clear direction for the work to be continued can be obtained.

Every department in an organization will have to follow a particular process decided by the firm in order to accomplish their tasks. It is very essential to ensure that the process that is followed by a particular department is the best process which will deliver excellent results. According to (Rick Edgeman et al., 2013) there is rapidly increasing global demand mandating that organizations must function in highly efficient and effective ways. According to (Dr. Sateesh Kumar Ojha, 2015), the organization reaches to a level through the inception of continuous improvement in methodologies on its every value adding activities for the satisfaction of customers. An organization can sustain only if it becomes effective, which means can produce results.

(Mihaela Ghicajanu et al., 2015) says excellent companies are characterized by excellent financial and economic results compared to the good results of the good companies in the same industry while having same opportunities and similar resources. Achieving process excellence can transform a company from good to an excellent one. According to (A. Jaeger et al., 2014) today's competitive and globalized market conditions force organizations not only to respond reactively to survive prevailing challenges, but also to seek long term success by achieving excellence in their business. As part of their desire to succeed and grow, organizations are correspondingly concerned regarding whether they are on the right track towards excellence and how their performance can be assessed. According to (Radoslav Jankal, 2013), the present places still higher demands on enterprises in the area of improving the functioning and quality of their products. If enterprises wish to succeed on markets with strong competitive pressure, they have to focus their attention towards the achievement of the status of so-called excellence.

As cited by (Anita Sood & Vikas Sharma, 2015), according to (Fransoo, 2011) human and organizational factors have a great impact on the performance of various operational processes. Benchmarking is a market-based learning approach, a structured process by which a firm seeks to identify and replicate best practices to enhance its business performance (Camp & Camp Robert, 1995). Hence benchmarking is considered as one of the most powerful tools by a number of firms all over the world in case of process improvement.

3. Research Objectives

1. Study the overall marketing process adopted by the startup for customer acquisition
2. Perform SWOT analysis to understand where exactly the business stands in the current market place to develop strategies accordingly
3. Study the process adopted by the marketing department for vendor registration and collect required data to analyse and find if the results are as per the set standards
4. Suggest improvements and changes in the existing marketing process if the results are not as per the set standards in order to achieve process excellence

4. Research Questions

1. Is the existing marketing process adopted by the startup the best process to be adopted?
2. What implications can be drawn from the SWOT analysis and how can it contribute in achieving Process Excellence?
3. Does the process adopted by the startup for vendor registration produce the desired results? If not, then how can the existing process be improved?
4. Are the suggestions and improvements helping in achieving Process Excellence?

5. Methodology

In this research work, the main aim is to achieve process excellence in the marketing department of the E-commerce startup as this will lead to customer acquisition. If appropriate strategies are implemented in this department then this will help in customer acquisition which in turn will help the organization to earn huge profits.

The marketing process adopted by the E-commerce startup under consideration is as follows:



Figure 1: Company's Marketing Process

In the marketing process adopted by the E-commerce startup, the first step is to analyse the market place. According to (Chian – Son Yu, 2007), based on the role of the business owner, E – marketplaces can be classified under 3 different categories:

1. Buyer driven e-marketplace
2. Seller driven e-marketplace
3. Independent driven e-marketplace

The organization under study is a pure player or market maker focusing on independent driven e-marketplaces generating revenue as a third party by operating the target market as a third party dealer.

The next step is to set challenging goals that are very Specific, easily Measurable, Attainable, very Realistic and Time Bound (SMART). At this current stage, the main goal of the marketing department is to get as many vendor registrations as possible from the specific regions considered within a fixed time bound. This is because the organization believes that if there are huge number of vendors/dealers registered in the website, then this will help in acquiring huge number of customers for the business.

After setting up goals, the organization needs to develop and implement marketing mix. Marketing mix is a mix of 4 elements (4 P's) that can be controlled and adjusted. They are:

1. Product (Service)
2. Price
3. Place
4. Promotion

Here the company tries to understand the customer's needs or wants from the product or services, what will be the price of the product or services delivered to the customers, are the customers price sensitive, which place to target to sell the products or provide services through this business, are there many competitors in the targeted region, how can the business be promoted in the targeted region, which is the best time to promote the business and earn huge profit etc.

The next step is to develop marketing strategies best suited for the E-commerce startup and implement them. Before developing the marketing strategies, it is very essential for the organization to understand its current position in the market and also try to understand how external factors can affect their business. Hence in order to decide the best strategy for the business a SWOT analysis was carried out.

A SWOT analysis basically helps a business to identify the internal and external factors that may affect the business. Based on the factors identified by performing SWOT analysis, the organization will be able to plan strategies to achieve their goals. SWOT stands for Strengths, Weaknesses, Opportunities and Threats. Strengths and Weaknesses are considered as factors internal to the business. Opportunities and Threats are considered as external factors. Strengths of the business are considered as a positive internal factors and Weakness as a negative internal factors. In the similar manner Opportunities are considered as positive external factors and Threats as negative external factors.

STRENGTHS (Positive internal factors)	WEAKNESSES (Negative internal factors)
OPPORTUNITIES (Positive external factors)	THREATS (Negative external factors)

Table 1: SWOT Analysis block diagram

All the factors identified through SWOT analysis help in adding value to the business by taking proper decisions and choosing the right strategies. The organization under study is currently focusing on strategizing the vendor registration part as this will help in customer acquisition. The strategies adopted by the firm and the results of implementation of the strategies are explained in detail in the next section.

Once the strategies are adopted and implemented, the next step is to find out the results. For this it is very essential to collect all the relevant data and analyse the collected data to find out if the adopted strategy has produced the desired results or not. If the adopted strategy has produced the expected results, then the same strategy can be continued and implemented. But if the expected results are not obtained, then the existing strategy needs to be improvised and implemented. After the improvements, if desired results are obtained, then it needs to be properly monitored and controlled.

If everything works according to the strategies planned by the marketing department, then this in turn will help in acquiring maximum customers and building a profitable relationship with them. If a good relationship is maintained with the acquired customers and if best services are provided to them, then the company will be able to retain these customers for a very long time period and gain their loyalty towards the business. In this way the company will be able to capture the lifetime value of a customer.

6. Results and Discussion

6.1. SWOT Analysis

As mentioned in the previous section, before planning the strategies and implementing them it is very essential to perform a SWOT analysis in order to find out the current position of the E-commerce startup. Hence a SWOT analysis was performed and the findings of the analysis are as follows:

<p>STRENGTHS</p> <ul style="list-style-type: none"> • Global Market • 24 x 7 access • Cost effective • Quick buying procedure • Easier product arrangement • Better customer interaction • Huge company setup not required • Saves time 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Less investment • Payment security issues • Presence of fake websites • Fraud • Long delivery time • Product limitation • Limited advertising • High customer expectation • Search engine unpredictability
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Change in the trends • Huge scope for growth • High availability (24 x 7) • Strong business to business networking • Improved technology (E.g.: live customer support chat) • Large number of people shifting to online shopping 	<p>THREATS</p> <ul style="list-style-type: none"> • Increasing competition • Changes in laws, regulations and environment • Innovation Privacy concerns • Risk of fraud

Table 2: SWOT Analysis

Based on all these internal and external factors obtained from the SWOT analysis, the organization has to plan appropriate strategies to achieve the goal. The current goal of the marketing department of the of the startup is customer acquisition and this can be achieved only if there are sufficient vendors registered with the company so that when customers visit the company's website to order items online, there should be enough products for them to choose from a variety of them.

6.2. Vendor Registration Process

In order to get huge number of vendors registered with the company, the initial strategy was to make cold calls to as many vendors as possible in the targeted area. A specific time period was allotted for this task and the department was expected to get as many vendor registrations as possible. A data base of all the vendors to be contacted was prepared and the target was to get more than 75% vendor registrations from the database. The results of cold calling were as follows:

PARTICULARS	NUMBER
Total number of dealers contacted	1315
Total positive responses	719
Total negative responses	448
No responses	148

Table 3: Cold calling details

The analysis chart for the information in the above table is as follows:

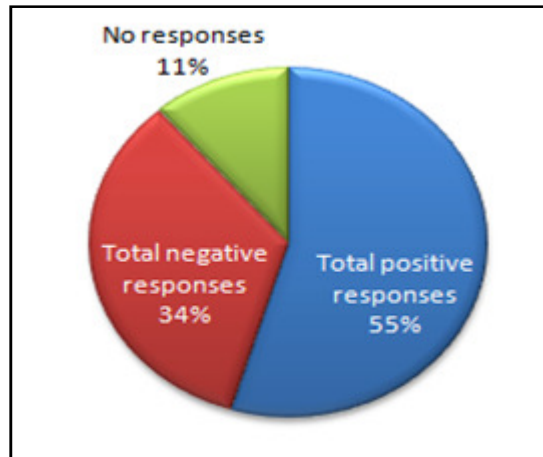


Figure 2: Cold Calling Results (%)

From the above results we find that 55% vendors gave positive response whereas the target was to obtain more than 75% positive responses through cold calling. Since the expected target was not achieved, certain improvements in the adopted marketing strategy was required in order to achieve process excellence in the marketing department. Hence all the possible reasons for the negative as well as no responses were needed to be found out.

The possible reasons for negative as well as no responses during cold calling in the organization under study are as follows:

1. No practice on what is required to talk (reading script, unable to convince)
2. Unable to answer questions from vendors/dealers
3. Calling at the wrong time
4. Calling back again immediately when the dealer is busy or not willing to talk
5. Some employees were not fluent in local language which the vendors preferred talking in
6. Did not follow up with vendors who did not respond to the call

In order to overcome these problems, the suggestions given to the marketing department of the company for improvements are as follows:

1. Stop reading scripts (think and talk)
2. Start making cold calls only after 11: 30 AM (through analysis it was found that vendors usually respond to cold calls and show some interest to listen only after 11:30 AM)
3. Make a list of all questions asked by the dealers and find proper answers by asking concerned person in the company
4. Pick a suitable time to call the vendors at their convenience during the working hours.
5. Command over the local regional language as well as English should be ensured so as to be able to communicate hassle free with the vendors.

6. List out the dealers who were not available at the time of the call and follow up the next day or a few hours later during the course of working.
7. Live marketing for dealers who gave negative responses by hiring experienced professionals

These suggestions were recommended and forwarded to marketing team who thereafter enacted upon them to make the necessary changes in the marketing department in order to make improvements in the existing process and achieve Process Excellence. The given suggestions were taken into consideration and it was decided that the company would now target the vendors who responded negatively as well as the ones who did not respond out of the total 1,315 vendors through live marketing for the next 2 months. For live marketing, experienced professionals were chosen. A total of 596 vendors were visited within a span of 2 months and the results are as follows:

PARTICULARS	NUMBERS
Total dealers visited	596
Positive response	428
Negative response	168

Table 4: Live Marketing Details

The analysis chart for the information in the above table is as follows:

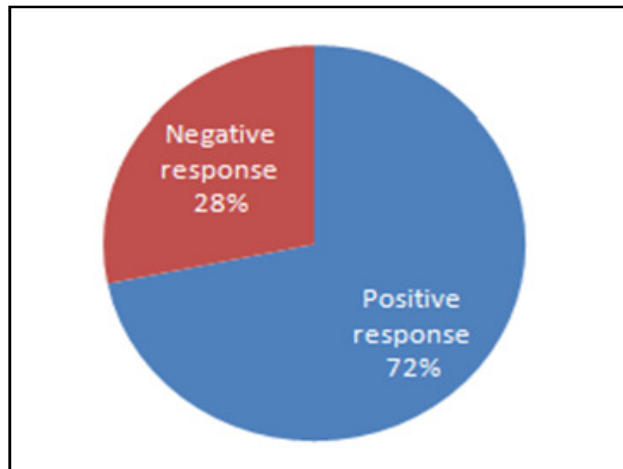


Figure 3: Results of Live Marketing (%)

From the obtained results, it was found that 72% of the vendors gave a positive response and registered with the company and 28% gave negative response.

The results of both cold calling and live marketing are now combined to find out the total number of vendors registered on the company’s website out of the total 1,315 vendors contacted. And the final results are as follows:

PARTICULARS	NUMBERS
Total dealer contacted	1315
Total positive responses	1147
Total Negative Responses	168

Table 5: Combined Final results

The analysis chart for the information provided in the above table is as follows:

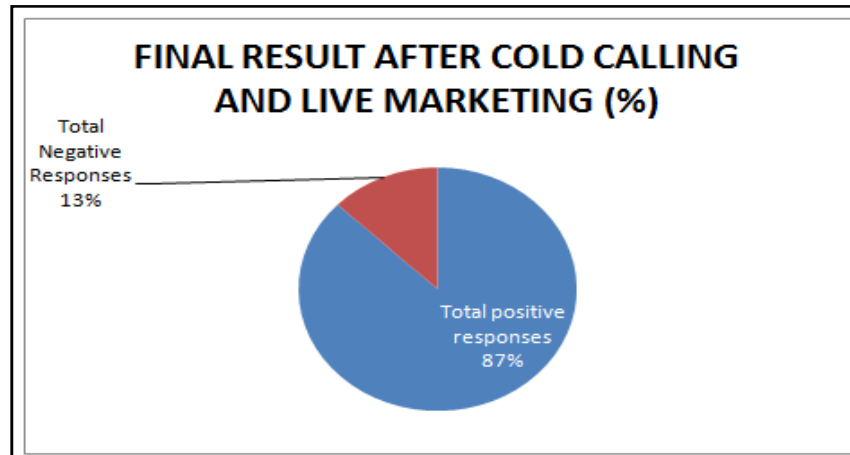


Figure 4: Final Results (%)

From the final results obtained, it was found that through cold calling as well as live marketing, out of the total 1,315 vendors contacted, 1,147 of them gave a positive response in total and 168 vendors gave a negative response. In total, 87% of the vendors gave positive response which was higher than the target set (target was more than 75% vendor registrations).

From these final results, we see that due to continuous improvement and making certain changes in the adopted marketing strategies for vendor registration, the percentage of positive responses increased from 55% to 87% thus exceeding the target set.

6. Conclusion

From this study, we can conclude that by achieving Process Excellence in the Marketing department of the E-commerce startup under consideration, the company was able to acquire huge number of vendor registrations which in turn will help the company in customer acquisition. Thus if the adopted processes in every department of the organization are regularly monitored, analyzed and improved then the company will be able to achieve Process Excellence in all the departments which will help the company earn huge profits and run a successful business.

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