ASHESI UNIVERSITY COLLEGE

E-COMMERCE PRODUCT DELIVERY STRATEGY FOR WAY WITH WORDS

UNDERGRADUATE APPLIED PROJECT

B. Sc. Business Administration

Victor Eghan

Applied Project Report submitted to the Department of Business Administration, Ashesi University College in partial fulfillment of the requirements for the award of Bachelor of Science degree in Business Administration

April 2017

Declaration

I hereby declare that this Applied Project Report is the result of my own original work

and no part of it has been presented for another degree in this university or elsewhere

Candidate's Signature: ………………………………..

Candidate's Name: Victor Eghan

Date: ………………………………………….

I hereby declare that the preparation and presentation of this Applied Project were

supervised in accordance with the guidelines on supervision of Applied Project laid down

by Ashesi University College.

Supervisor's Signature: ………………………………..

Supervisor's Name: Dr. Gordon Adomdza

Date: …………………………………

Acknowledgements

I am tremendously thankful to God Almighty for giving me guidance throughout

the period of this project. My utmost gratitude goes to my supervisor, Dr. Gordon Adomdza, for

his constant support and coaching in every step of this project. A big thank you goes to Emefa

Dako, founder of Way With Words, for her extreme cooperation as she provided me with the

necessary information to make this work a success. My sincere gratitude goes to my parents as

well as my friends, who showed me tremendous support. To all who ensured the completion of

this project, and to Ashesi University College I say a big thank you.

Abstract

Way with Words is a Ghanaian company that produces and sells authentic arts and crafts and home décor items. Established in 2006 and located in Tema, their products include wall decals, desk items, wall décor, greeting cards as well as embroideries. Way With Words is in the process of creating an online store where it can retail its products. However, it does not have an efficient delivery system to fulfil customer orders from their online store. Therefore, clients would still have to pick up products from their pick-up points, even when they order online.

Qualitative research was conducted to understand the current state of Way With Words as a company, and the problems that it faces. These findings from this research shaped the basis for the delivery solution proposed in this project. The proposed solution is to combine a direct delivery model and a dropshipping model to fulfil customers' online orders. Implementing this delivery strategy would enable Way With Word to easily fulfil customer orders in an effective and efficient manner.

Contents

CHAPTER 1: INTRODUCTION

Company Profile of Way With Words

Way with Words is a Ghanaian company that produces and sells authentic arts and crafts and home décor items. Established in 2006 and located in Tema, their products include wall decals, desk items, wall décor, greeting cards as well as embroideries. All their handcrafts have verses from the Bible inscribed on them, as their mission is to *"provide an outlet/avenue for surrounding a Christian with the word of God on walls, tables and everywhere they occupy."* As a company, their vision is for every Christian in the world to have at least one piece of artwork or clothing that reminds them of the commandments and promises of God. Also, they seek to make a "**Way with Words**" craft item the first point of call for a gift for family, friends and loved ones. Their target market is not limited to Christians only, as they seek to use their craft items as evangelism tools for non-Christians as well.

Way with Words currently has four employees who produce the handcrafts. Presently, the company sources about 80% of their products from Dayspring, an online store that sells similar handicrafts that they produce. They however plan on increasing their in-house production this year. Way with Words has one workshop where they make their products, and they are planning to open a second workshop this year. Way with Words has no retail shop of their own; they have a shelf in someone's retail shop where customers can pick up products. They have a quite small customer base, as their main customers are families and friends. Their main marketing style is through direct pitches and recommendations by customers to their friends and acquaintances. They are however in the process of setting up a website have however set up an online store

where they can advertise and sell their products. With this store, customers can order and pay for products online, and can have the products delivered to them directly.

Overview of the external industry (PEST Analysis)

PEST, which is an acronym for Political, Economic, Social and Technological, refers to an analysis used to assess these four external or macro-economic factors to determine how they may influence the success of an organisation (Pestle Analysis, 2013).

Political

One of Ghana's most identifiable and positive features is its political stability. Since its transition to a multi-party democratic system in 1992, Ghana has been considered as one of the most politically steady countries in West Africa (BBC News, 2017). Although there was scepticism concerning Ghana's stability as the elections approached last year, Ghana has been able to maintain its brand as a peaceful and politically steady country, as the elections were carried out without any disruptions. Hence, business is going on as usual.

Economic

Ghana's economy largely relies on resources such as gold, cocoa and oil, as they are the main sources of income for the country. Therefore, price fluxes of these resources, as well as increased spending on public sector wages, electricity shortages, and other factors, led to the slow pace of development in recent years (Oxford Business Group).

During the first quarter of 2016, Ghana's economic growth increased by a 4.9%, which was higher than its 4.1% growth in the first quarter of 2015. The overall Gross Domestic Product

(GDP) in 2016 however was below that of 2015, which was 3.9%. This was due to some

production challenges in the oil sector. Ghana's inflation rate also fell to 16.7% in July, due to

the tight monetary policy stance adopted by the country (The World Bank, 2017).

This is a good sign, that business will improve. Wirth fall in inflation and all, Way With Words

will incur lower production cost and can price products competitively

Social

Celebrations are a vibrant part of Ghanaian culture, and it is part of our culture to exchange gifts

and presents to friends and loved ones during seasons such as Christmas and Easter. During these

periods, there is the increase in the purchase of gifts such as greeting cards, home décor, and

other gifts. This is an opportunity for Way With Words, as it can increase its sales during these

seasons.

Technological

Technology in Ghana is on the rise, and most businesses are taking advantage of this trend.

Social media, for example, has become an avenue for companies to engage in more affordable

but effective marketing. The introduction of e-commerce to Ghana has also given businesses the

chance of reaching a wider target market other than those who come to their physical locations.

Way with Words can take advantage of this by using e-commerce platforms to sell some of its

products, as well as marketing its products on social media. Technology however seems to pose

threat to greeting card vendors, a category in which my client falls in. In the past, people

purchased greeting cards for friends and loved ones during celebrations such as Easter and

Christmas. However, upon the introduction of WhatsApp, however, the purchase of greeting

cards has reduced. "A WhatsApp message is easier and cost effective as compared to buying a card," a shopper stated when interviewed by Graphic Online (Akese, 2015).

Home décor/Arts and crafts industry in Ghana

Per a research report from Research & Markets, the world home décor market is projected to reap about $664 billion by 2020. Home décor products worldwide have a large demand among consumers, as there is gradually a growing interest in the concept of home décor. Asia-Pacific is currently the leading market as it occupies about 31% of the market share, and it is followed closely by Europe.

The home décor industry in Africa is also gaining attention, as many African designers have gained an international recognition for their work and are heading for the international market. The African home décor industry is no longer limited to tribal masks and animal prints, as today's African artisans have improved their art to blend traditional themes with contemporary designs. Brands like Design Express, Eva Sonaike and Diallo Designs have created a name for themselves in the international market, and are creating an international appeal for contemporary African home décor (Bonsu, 2013).

The arts and crafts industry in Ghana has great potential. However, it has not been fully utilized yet. In 2013, the ATAG Craft Network Association of Ghana (ACNAG) in collaboration with Ghana Association of Visual Artists (GAVA) advocated to the government for the enactment of a law for public places to have arts and crafts that express the cultural values and historical experiences in Ghana. The reason for this advocacy was because of the lack of awareness of the importance of local art and craft by many Ghanaians, and the perception of some Ghanaians that

art and craft items were demonic. In an interview with the Daily Graphic, the President of the

ACNAG, Mr Mawuli Akpenyo, mentioned that local art and craft businesses were experiencing

very little or no growth, as they faced high competition from Asian imports which are sold

cheaply on the local market. He also stated that the government was not using Ghanaian cultural

artefacts in public places, and that such places did not reflect Ghanaian culture. This could be the

reason why Ghanaians and people of other cultures are not aware of Ghanaian art and craft and

do not appreciate their value (Ghana Business News, 2013).

In an interview with the Ghana News Agency, Mr. John Donkor, the Public Relations Officer of

Accra Arts Centre, called on the government to provide support to promote the local arts and

crafts industry. He appealed to government to collaborate with the Accra Arts Centre during its

various activities such as Art Fairs and Exhibitions. If this is done, he believed that it would

enable the international market to better appreciate arts and crafts, and this will in turn create

more job opportunities for the youth in Ghana.

SWOT Analysis

A SWOT analysis is a tool used to measure the strength of a company based on its strengths and

weaknesses, as well as its opportunities and threats.

Table 1

SWOT Analysis

Strengths	• Customer loyalty
Weaknesses	• Low brand awareness • Delivery system • Low customer base • Poor marketing strategy
Oppportunities	• Technological advancement • Social factors
Threats	• Threat from technology

Strengths

- **Customer loyalty:** Most of Way with Words' clients engage in repeat purchase.

Weaknesses

- **Low customer base**: Way With Words has a low customer base, as its main customers
  are families and friends, as well as people referred by existing clients.

- **Poor marketing strategy**: Way With Words has a poor marketing system. Its main
  marketing style is through recommendations by customers to their friends and
  acquaintances. They are however addressing this weakness by setting up an online store
  where they can showcase and sell their goods.

- **Delivery system:** Way with Words currently does not have any form of delivery system
  to support their newly built online store.

Opportunities

- **Technological advances:** Technology in Ghana is on the rise, and Way With Words can take advantage of this trend. Social media, for example, has become an avenue for companies to engage in more affordable but effective marketing. Way With Words can use social media marketing to enlarge its customer base and increase their brand awareness.

Threats

- **Threat from technology:** Technology, despite being an opportunity, also seems to pose threat to Way With Words, especially its greeting card products. In the past, people purchased greeting cards for friends and loved ones during celebrations such as Easter and Christmas. However, upon the introduction of WhatsApp, however, the purchase of greeting cards has reduced.

CHAPTER 2: NEEDS ASSESSMENT

Chapter overview

This chapter seeks to point out the challenges Way with Words faces as a business. These

problems and challenges will be identified in the process of interviewing the client (founder of

Way with Words), existing customers as well as prospective customers. This research and

analysis will help inform the process of selecting a solution to the problems identified.

Objective and Significance of Project

Way with Words currently does not have its own store or gift shop; it uses outlets. That is, Way

with Words has partners who allow them to use their shop as a pick-up point for their products.

They therefore keep their products in such shops, and customers are directed to these shops when

they call to order a product. However, with the aim of expanding its customer base and

increasing sales, Way With Words is planning on launching an online store where customers can

order for products. The problem however is that, they do not have a delivery system to support

their newly built online store. Therefore, customers who order from their website would have to

pick up their products from their shop, which is no different from buying directly from the shop.

Way With Words customers therefore need a way of easily receiving products after they order

online, without having to make a trip to Way With Words' store. Also, to prevent the inflation of

product prices due to high delivery costs, the delivery system must be affordable, but efficient.

Problem statement

Way With Words does not have an efficient delivery system to fulfil customer orders from their online store.

Scenarios

Scenario 1:

A prospective customer heard about Way With Words' beautiful arts and crafts products, and decided to buy one as a birthday present for her friend. Since she lived in Kasoa, she was not willing to travel all the way to Tema to buy a product from Way With Words' shop. Fortunately, she found that Way With Words had an online store. She went online and made all the purchases she needed. At the end, she realised that she still had to travel to Tema to pick up the products she ordered. In dismay, she forgets about picking up the products and finds another gift shop nearby. In addition, she tells three of her friends about her bad experience, which creates poor brand equity for Way With Words.

Relevance of the project

The scenario above shows that Way With Words needs a strong delivery system to fulfil orders from customers who cannot pick up products from their sales outlet.

Procedures used in needs assessment

Structured face-to-face interviews as well as phone interviews are the main procedures used in the needs assessment process for Way With Words. The main parties interviewed in the process were the founder of Way With Words, existing clients and potential clients. In selecting the

potential clients to interview, the convenience sampling method was employed. Convenience

sampling refers to a type of non-probability sampling where the criteria of selecting the sample is

based on how easy it is to access the sample. That is, the cost of locating the sample as well as

the ease of interviewing the sample (Battaglia, 2011).

<div style="text-align:center">Findings from founder of Way with Words</div>

In finding out what the company really needs, the founder of Way With Words was interviewed,

and asked about some challenges her company faces that she would like addressed. Way With

Words has only three employees, but they were not interviewed since all necessary information

was received from the interview with the founder.

During the interview, she pointed out the need for a delivery system to support their online store.

Currently, their main distribution channels are two shops which serve as outlets for their

products. When customers order for products, the products are sent to these outlets for customers

to pick them up. She however made it clear that she did not want a delivery system that she

would have to run on her own; she would prefer to outsource delivery. She also mentioned that

she would very much like to keep delivery cost at the minimum for her customers.

During the interview, it was gathered that Way With Words had no structured marketing strategy

for its business. The main form of marketing is word of mouth and referrals by satisfied clients.

That explains their low customer base, despite being in business for about ten years. The founder

of Way With Words mentioned that the company has considered social media marketing once.

However, she did not embark on this form of marketing as it is too involving and time

consuming for her. She mentioned that she would prefer a simple marketing method that she

could handle on her own for the moment.

Findings from potential customers

After interviewing potential clients, the following information was gathered:

1. **Low brand awareness:** From interactions with potential clients, it is evident that Way With Words has low brand awareness. Out of the number of individuals interviewed, only one of them had ever heard of Way With Words.

2. **Technological interference:** Due to technological advances, most people (especially the young population) have reduced the frequency of purchasing gift cards. They would rather send a WhatsApp message to friends and loved ones during special events or celebrations. They are however open to buying other gift items apart from gift cards, such as embroideries and customized accessories.

3. **Home delivery:** People interviewed liked the idea of being able to order for products online and getting it delivered to their homes. However, they showed concern that they did not want instances where the products delivered to them to be different from the ones they saw online. If that happens, products should be changed for them at no extra cost.

Needs assessment table

From information gathered from interviews and interactions with the founder of Way with Words, a number of issues were identified. The table below shows the problems identified with Way with Words, as well as its level of importance.

Table 2

Needs Assessment Table

Area of business	Key issue	Severity/Level of importance Scale: 1–low, 3-high
Marketing	Low brand awareness	2
Supply chain	No delivery strategy to support online store	3
Inventory	Limited product line	2

CHAPTER 3: MASTERY OF SUBJECT MATTER

This chapter presents literature from different sources concerning different e-commerce delivery

models, as well as case studies on its implementation. The early parts of this chapter will explain

fundamental concepts in e-commerce as well as product distribution.

Fundamental Concepts

Distribution

Distribution refers to the process of making a product or service available for the consumer or

business user that needs it. The Business Dictionary also defined distribution as the movement of

goods and services from a specific source through a distribution channel to the final consumer,

and the movement of payment in the opposite direction to the original producer or supplier

(Business Dictionary, n.d).

Order fulfilment

Order fulfilment refers to the process of receiving a customer order, processing it and then

shipping the requested product to the customer. This process includes activities such as receiving

orders from customers, confirming pricing, placing a request into the inventory system,

determining which facility to ship product from, and finally delivering the product to the

customer (Business.com Editorial Staff, 2017).

Third Party Logistics Providers

Third party logistics providers refer to firms that provide logistics services to other firms. Also known as 3PL's, they provide outsourced services such as warehousing, transportation and delivery services for customers.

Academic paper on selection criteria for third party logistics partners

In an academic paper written by Heshan Ye and Jiading Wu, the authors studied an analytical network process (ANP) approach in selecting logistics providers, which was proposed by Jharkharia, S. and Shankar, R. in 2007. The approach included all relevant criteria, whether tangible or intangible, subjective or objective. These criteria are then measured against a selection of logistic providers to help a company arrive at the best decision. According to their research, they defined the four main criteria for selecting a logistics provider to include "compatibility", "cost", "quality", and "reputation". The authors of this article however reviewed these criteria, and decided to focus on ten important selection criteria for the selection of a logistics provider. They included the following:

- Criteria
- International deliveries
- Reputation
- Compatibility
- Location / Proximity
- Cost / Price
- Management

- Storage capacity
- Delivery performance
- Financial performance
- Long-term relationships
- IT-capabilities

E-commerce Delivery Models

In this case, the main delivery models to be discussed include direct delivery, fulfilment

centers, dropshipping and the click and collect e-commerce model.

Model 1: Direct delivery

This model is the most common model in the online retail industry, where online shops

deliver products to consumers to their homes directly, or to their desired drop-off point. Over

the years, the direct delivery model has evolved into three sub-models: deferred delivery,

next-day delivery and same-day delivery (Hausmann et. al, 2014). The diagram below

illustrates the three sub-models:

Figure 1. Evolution of B2C parcel delivery

Source: (Hausmann et. al, 2014)

Model 2: Fulfilment centers

A fulfilment center is a location where customer orders are processed and fulfilled. A fulfillment center can either belong to one company, or serve as a third-party partner to fulfil customer orders on behalf of other stores (Business Dictionary, n.d). Small businesses can buy merchandise and outsource warehousing, packaging and shipping to a fulfilment centre. This reduces the workload of the business as well as its operational costs, giving them the chance to focus on growing their business. A business therefore would not need to expand its physical space (store) to increase its volume in sales. It can operate from a small facility, and still supply large volumes of products to customers (Craig, 2011) .

Model 3: Dropshipping

Dropshipping is a retail strategy where a store purchases products from a third party and ships it directly to the consumer. That is, instead of keeping stock of products for sale, it purchases the product from a third party and ships it directly to the customer. The product therefore never comes to the retailer.

The unique feature of this retail model is that the retailer does not stock any inventory, but rather purchases inventory from third parties when customers make orders (Shopify, n.d). Dropshipping is regarded as one of the most effective ways of online retailing, as online retailers are exempted from operational issues, inventory tracking, warehouse space and order fulfilments. The practice of Dropshipping ranges from a full dropshipping operation (with no inventory) to using dropshipping as a supplement to available stock (Chen et. al, 2011).

Figure 2. Dropshipping model

Image source : (Atkins, 2016)

The figure above illustrates the process of dropshipping for e-commerce businesses. The retailer first adds specific products to his/her online store, with prior knowledge of suppliers of such products. When customers make orders for the product online, the retailer then places a duplicate order to the supplier, with the shipping details of the customer. The supplier then packages and ships the product to the customer.

Dropshipping reduces business cost for online retailers, as it eliminates the cost of having a physical store and stocking inventory. Also, since an online retailer does not need to stock products, dropshipping provides an opportunity to offer a wide range of products for sale. Due to inventory management and warehousing complications, a traditional retailer may not be able to offer wide ranges of products as the online retailer does with dropshipping (Roggio, 2011)

Despite its benefits, dropshipping has its downsides as well, as it requires heavy reliance on suppliers. This means that the online retailer always turns to the dropshipper for order

fulfilment whenever a customer makes an order. Since dropshippers are also retailers themselves, the fulfilment of his store demands will be his priority, and may be unwilling to fulfill every order from the online retailer. This may lead to delays in the fulfilment of customer orders (Chen et. al, 2011).

Model 4: Click and Collect E-Commerce Model

Also known as "Buy online, Pick Up in Store" (BOPUS), the click and collect e-commerce model is increasing in popularity among online retailers. It refers to the combination of online and offline shopping, where customers can order for products online and then pick them up from the store. This e-commerce model provides customers with the benefits of online shopping as well as the benefits of traditional shopping (Outsource2india, n.d).

Proposed Solution

The proposed solution for Way with Words is a combination of two e-commerce delivery models—the direct delivery model and the dropshipping model. As mentioned earlier, Way with Words sources about 80% of its inventory from Dayspring, an online gift shop, and produces the other 20% locally. These two models would therefore fully support Way with Words to deliver goods (from both sources) to their customers.

Real-life scenario of using dropshipping in an e-commerce business

This case study is about the success of Hello Matcha, a start-up e-commerce business that experienced great success from adopting the dropshipping model as their e-commerce delivery model. Hello Matcha is a start-up business located in the U.S. Founded in 2015, it deals in the online retail of matcha tea, a green tea powder mainly grown in Japan. As a small

business, they chose the dropshipping model to avoid having to manage shipping and inventory themselves.

They therefore set out to find a dropshipper with low cost services and low shipping rates. After phone calls and pitches, they found a dropshipper who met all their requirements. However, before entering into an agreement, they first ordered a sample of their products to verify product quality. With strategic sales channels and effective marketing strategies, they made about 900$ in just three days of starting business (Lazazzera, 2015).

CHAPTER 4: PROPOSED SOLUTION

Way With Words needs an e-commerce delivery models to fulfill customer orders when they order for products online. This chapter proposes an order fulfillment and delivery model which will enable Way With Words to fulfil customer orders in an efficient and effective manner. The proposed solution for Way with Words is a combination of two e-commerce delivery models—the direct delivery model and the dropshipping model. As mentioned earlier, Way with Words sources about 80% of its inventory from Dayspring, an online gift shop, and produces the other 20% locally. These two models would therefore fully support Way with Words to deliver goods (from both sources) to their customers.

The drop ship / Direct delivery model

With the dropship model, Way With Words will have to partner with suppliers who will deliver products on its behalf. The process is explained below: `

1. Customer online order

When a customer wants to buy a product from Way With Words, he can go to their online store and take a look at their catalog of products. When he makes his choice, he then orders for the product online, by specifying the quantity he wants to order and also paying for the product.

2. Method selection

When Way With Words receives the order, they would then have to decide whether to use the dropshipping model to fulfil the customer order, or to use the direct shipping model. This is when the model selection decision tree is needed. The model selection decision tree is a tool to be used to determine in different circumstances which of the two models are most appropriate to be used to fulfil a customer order.

3. Order fulfillment & delivery

In the case of dropshipping, the details of the order will be forwarded to the supplier. In the

case of direct delivery, the product will be packaged, and given to a delivery service company

to be delivered to the customer. The diagram below illustrates the order fulfilment process

using the dropship/direct delivery model:

Figure 3. Dropship/direct shipping delivery model
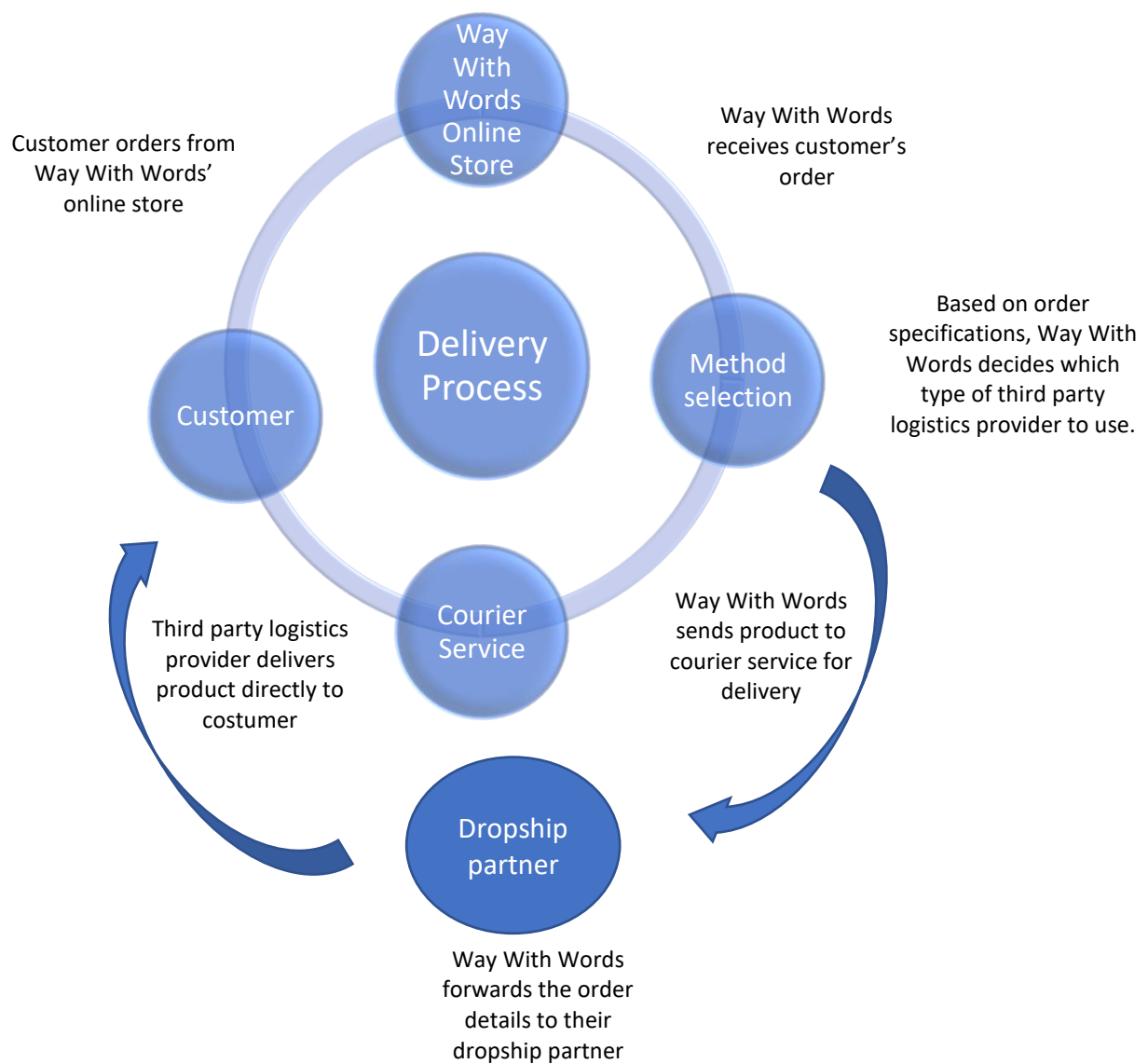
The process of selecting a third-party logistics provider

The selection of third party logistics providers is an essential part of this delivery model. Whether a courier service or a dropshipping partner, the efficiency of this third-party logistics provider will determine the efficiency of Way With Words' delivery to its customers. Therefore, in the selection of a third-party logistics partner, Way With Words should follow the following steps:

1. Selection criteria table

2. Product/service quality test

3. Partnership agreement (in the case of dropshipping)

1. Selection criteria for third party logistics partners

As mentioned in the previous chapter, two authors, Heshan Ye and Jiading Wu, developed ten important selection criteria for the selection of a logistics provider. These criteria can be used in the process of selecting third party logistics providers (courier services and drop shipping partners) for Way With Words.

The table below outlines relevant characteristics that Way with Words should look out for when selecting a third-party delivery service to deliver goods to customers:

Table 3

Selection Criteria for Third Party Logistics Partners

Criteria	Description
International deliveries	This refers to the capability of the service to deliver products to customers who order from outside Ghana.
Reputation	This refers to the ability of the company to deliver products in a timely and effective manner. This information is usually obtained from customer reviews and testimonials.
Compatibility	This refers to the relationship between the logistics provider and the user, and how common objectives can be achieved.
Location / Proximity	How far is the delivery service from Way with Words' primary customers? Way with Words' main customers are located within Tema and Accra. Therefore, the delivery service should be located within Accra, preferably, to increase delivery speed and reduce transport cost.
Cost / Price	This refers to the total cost of outsourcing activities to a 3PL party.

Management	This refers to the ability of the management of the 3PL firm to maintain a competitive advantage in the market.
Storage capacity	This refers to the ability of the firm to store items safely in a good environment
Delivery performance	This refers to factors such as speed, safety and reliability. These are very important as these factors ensure customer satisfaction.
Financial performance	The firm has to have a track record of a sound financial performance to ensure that their logistic services can continue.
Long-term relationships	This refers to the possibility of maintaining a long-term relationship with the 3PL party.
IT-capabilities	How the firm uses technology to aid the process of tracking, tracing and confirming order fulfilments

This selection criteria can be used to measure the performance of potential third party logistics providers.

The following are some third-party logistics providers that Way With Words can consider outsourcing their delivery to:

- Uber;

- Okada drivers;

- Taxis;

- And courier service companies.

For dropshipping partnerships, Way With Words can partner with other gift shops (especially within Accra).

2. Product/Service Quality Test

In the case of Hello Matcha, they embarked on a product quality test before entering into an agreement with a dropshipper. They did this by ordering a sample of the supplier's products to verify its quality. To ensure the product quality, Way With Words can also embark a on product/service quality test. For dropshippers, Way With Words can order for a sample of the supplier's products to test both product quality and delivery time.

For courier services also, Way With Words can test their service quality by contracting their services to deliver a product. From that, they can measure their delivery time, customer service, and other criteria that Way With Words would use to select a courier service.

3. Dropshipping Partnership Request

After determining which suppliers to contract as dropshipping partners, Way With Words can officially reach out and make a proposal to these suppliers. Below is a dropshipping partnership request template that Way With Words can use when pitching for a dropshipping partnership with gift shops and art product suppliers:

(EMAIL SUBJECT LINE:) Dropship Partnership Request

Hello (name of person);

My name is Emefa Dako, founder of Way With Words in Tema, Ghana. Way with Words is a Ghanaian company that produces and sells authentic arts and crafts and home décor items. Established in 2006 and located in Tema, their products include wall decals, desk items, wall

décor, greeting cards as well as embroideries. I found your company online, and I am

interested in partnering with your store to retail some of your products on our website. Please

let me know what information and qualifications you require from me, and I will be happy to

return them immediately. Thank you.

Regards,

Emefa Dako

Founder of Way With Words.

<div align="center">How the tool should be used</div>

This tool should be used by the person in charge of operations in Way With Words.

Currently, the person in charge is the founder. Therefore, she would be in charge of operating

and implementing this tool. That is, she would use this tool to select dropshipping partners

and courier services to create a dropshipping/direct delivery system for her online store.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

Recommendations

As mentioned earlier in the needs assessment chapter, Way With Words faces more problems than just its delivery strategy. Other problems it faces include its low level of brand awareness, a low product line, as well as technological interference.

Technological interference

Due to technological advances, most people (especially the young population) would rather send a WhatsApp message to friends and loved ones than buy cards during special events or celebrations. In order to reach this gap in the market, Way With Word can feature an e-card studio on their online store. With this feature, customers can then design customized cards online for different occasions, and send by email to friends and loved ones, for free. Even though this service may be free, Way With Words may benefit by increasing its brand awareness, as it would have its name and logo on each e-card which is designed. Dayspring is an online gift shop based in the U.S, that has a section where customers can select from numerous card designs and send to their loved ones for free. They however do not provide the option of customizing the design of the card. Way With Words can include this option to their e—card studio. The link below leads to Dayspring's e-card studio page:

https://www.dayspring.com/ecards.

Hallmark Creatives, the website design agency currently working on Way With Words' online store, can incorporate this function into their website. A sample birthday e-card from Dayspring can be found below:

Figure 4. Sample e-card from Dayspring
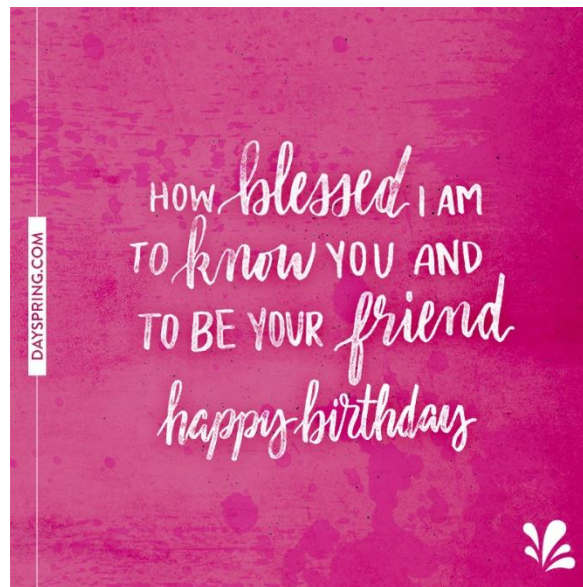
Low product line

Currently, Way With Words produces and retails gift items such as wall decals, desk items, wall décor, greeting cards as well as embroideries. It can however attract more customers by extending its product line to include other gift items that may appeal to prospective customers. Way With Words can embark on an extensive market research to find out which kinds of products appeal more to their target market, and include these products to their product line.

Conclusion

The aim of this project was to develop a delivery strategy for Way With Words to support its online store. This solution would therefore aid Way With Words in fulfilling online customer orders efficiently and effectively.

References

Akese, E. (2015). *SMS, WhatsApp overtake Christmas cards*. Retrieved 28th January, 2017, from http://www.graphic.com.gh/news/general-news/sms-whatsapp-overtake-christmas-cards.html

Atkins, I. (2016). *What is drop shipping? And how does it work?* Retrieved 6th April, 2017, from http://fitsmallbusiness.com/what-is-drop-shipping/

Battaglia, M. (2011). Encyclopedia of Survey Research Methods. CA: Sage Publications, Inc

BBC News. (2017). *Ghana country profile*. Retrieved 21st January, 2017, from http://www.bbc.com/news/world-africa-13433790

Bonsu, A. (2013). *Meet 8 African designers influencing international home décor.* Retrieved 1st February, 2017, from http://afkinsider.com/18590/8-african-designers-influencing-international-home-decor/

Business Dictionary. (n.d) *Distribution.* Retrieved 6th April, 2017, from http://www.businessdictionary.com/definition/distribution.html

Business Dictionary. (n.d). *Fulfillment center.* Retrieved 6th April, 2017, from http://www.businessdictionary.com/definition/fulfillment-center.html

Business.com Editorial Staff. (2017). *Steps in order fulfillment.* Retrieved 6th April, 2017, from https://www.business.com/articles/steps-in-order-fulfillment/

Chen, J., Chen, Y., Parlar, M., & Xiao, Y. (2011). Optimal inventory and admission policies for drop-shipping retailers serving in-store and online customers. *IIE Transactions*, 43:5, 332-347, DOI: 10.1080/0740817X.2010.540637

Craig, J. (June, 2011). *Could your business benefit from using a fulfillment center?* Retrieved April 6th, from https://www.wesst.org/2011/06/could-your-business-benefit-from-using-a-fulfillment-center/

Ghana Business News. (2013). *Arts and crafts industry advocates legal framework.* Retrieved 1st February, 2017, from https://www.ghanabusinessnews.com/2013/09/09/arts-and-crafts-industry-advocates-legal-framework/

Hausmann, L., Herrmann, N., Krause, J., & Netzer, T. (March, 2014). Same-day delivery: The next evolutionary step in parcel logistics. Retrieved 12th April, 2017, from https://www.youtube.com/watch?v=_fCzA49_kk&list=PLB09xayiHldnx4MriRosokCJRZ6wRwgId

Lazazzera, R. (2015). *How we built an ecommerce business from scratch and generated $922.16 in revenue in 3 days.* Retrieved 17th April 2017, from https://www.shopify.com/blog/34526469-how-we-built-an-ecommerce-business-from-scratch-and-generated-922-16-in-revenue-in-3-days

News Ghana. (2017). *Accra Arts Center calls on government to promote local arts and crafts industry.* Retrieved 27th January, 2017, from https://www.newsghana.com.gh/accra-arts-center-calls-on-government-to-promote-local-arts-and-crafts-industry/

Outsource2india. (n.d). *BOPUS is here to stay – 5 reasons.* Retrieved 6th April, 2017, from https://www.outsource2india.com/software/articles/bopus-here-to-stay.asp

Oxford Business Group. (2016). *The report: Ghana 2016.* Retrieved 21st January, 2017, from https://www.oxfordbusinessgroup.com/ghana-2016/economy

Pestle Analysis. (2013). *Understanding PEST analysis with definitions and examples*

Research and Markets. (2015). *World home decor market - opportunities and forecasts, 2014 – 2020.* Retrieved 22nd January, 2017, from http://www.researchandmarkets.com/research/xxsmw4/world_home_decor

Roggio, A. (2011). 5 *reasons to consider drop shipping.* Retrieved 6th April, 2017, from http://www.practicalecommerce.com/articles/3183-5-Reasons-to-Consider-Drop-Shipping

Shopify. (n.d). *Understanding dropshipping.* Retrieved 6th April, 2017, from https://www.shopify.com/guides/dropshipping/understanding-dropshipping

The World Bank. (2017). *Ghana overview*. Retrieved 21st January, 2017, from http://www.worldbank.org/en/country/ghana/overview

Ye, H., Wu, J. (March, 2014). Selection of a logistics service provider based on analytic hierarchy process (AHP) approach. Retrieved 6th April, 2017 from http://hig.diva-portal.org/smash/get/diva2:716019/FULLTEXT01.pdf

Appendix

Figure 1. Interview Questions for Way With Words Founder

Do you have a store for your business?	No, we don't. We use outlets. That is, other people's stores. We keep our products either at home, or in some selected stores. So those stores serve as pickup for customers. We drop off their products at those stores when they order, and they go and pick them up
How do you currently market your products?	Through word of mouth mostly. Through customers recommending our products to other customers
Have you thought of other forms of marketing, like social media marketing?	Yes, I have. But it would take too much time which I don't have. I'd rather prefer having a newsletter that I can be sending to customers periodically
How many employees do you have?	We have three employees at the moment
Do you produce all your items?	We produce about 20% of our items. We buy the rest from Dayspring, a U.S based online gift shop. But we're planning on increasing local production this year. That's why we want to create an online store.

Figure 2. Interview Guide for Way With Words (Potential Clients)

I am a student at Ashesi University College, in the Department of Business Administration. I am planning to conduct a research study for my Applied Project, which I invite you to take part in. The purpose of the study is to develop an efficient and affordable delivery system for an online gifts and crafts shop. I am therefore researching into how individuals acquire gifts during events, and the form of delivery system they would prefer. I would like to have a short interview with you to gather some data for this research. This interview will be very short, and should take about 15 minutes.

Please know that your records will be kept confidentially. Your participation in this study does not involve any physical or emotional risk to you beyond that of everyday life. Taking part in this research study may not benefit you personally, but we may learn new things that will help others. Results of this study may be used in publications and presentations. Your study data will be handled as confidentially as possible. If results of this study are published or presented, individual names and other personally identifiable information will not be used. Participation in this study is voluntary. You do not have to answer any question you do not want to answer. For further information, you can contact my supervisor through email on: **gadomdza@ashesi.edu.gh** This research protocol has been reviewed an approved by the Ashesi University Human Subjects Review Committee. If you have questions about the approval process, please contact Chair, Ashesi University HSCR, (irb@ashesi.edu.gh)

Questions

Do you purchase gift items, such as greeting cards, wall décor, embroideries, etc?
Do you purchase these items during specific seasons? What are those seasons?
How often do you purchase these gift items?
Where do you usually purchase these gift items?
Are these items delivered to you, or you usually buy them from a shop?
Would you like gifts to be delivered to you directly from gifts shops when you order for them?
Which form of ordering do you prefer: ordering online or a through a phone call?
How much would you be willing to pay for delivering gift items to you directly?

Figure 3. Dropship/direct shipping delivery model