



### INDIVIDUAL CASE STUDY

#### **E-COMMERCE (COMP 1008)**

Level: 6

Maximum Marks: 100

Submission Week: week 13

#### INSTRUCTIONS FOR STUDENTS

**Students are advised to go through assessment requirements, assessment objectives, essay requirements, description of tasks, mark distribution, feedback to students, guidelines, late submission policy, rules, regulations and plagiarism policy carefully.**

**If you have any questions, please ask (during class timings or office hours).**

**Please read the following case study carefully and answer the questions given below.**

### A “Gilt”-Free Shopping Experience

It is noon on a typical weekday, and customers are waiting to pounce on the discounted merchandise as soon as the sale kicks off, eager to snap up a great deal on clothing from designers such as Rodarte, Derek Lam, Christian Louboutin, and others, because they know the best bargains go very quickly. Designer sample sales typically are by invitation only, and fashionistas work their list of contacts to finagle invitations to these private events, where they can purchase luxury brand merchandise at discounts of 50 to 70 percent. Shoppers line up around the block for the semi-annual Barneys Warehouse Sale in New York City and, because all sales are final, often strip down to their underwear between the racks to try on a \$3,000 dress marked down to \$600.

This particular sample sale has a different twist, however, because more than 100,000 customers will be attending, making this the most crowded store in the city. Except that there is no store. Gilt Groupe, founded in 2007 by Alexis Maybank and Alexandra Wilkis Wilson (who are known inside the company as A&A), runs “flash sales” entirely online. Access to Gilt’s Web site is by invitation only (which gives it an air of exclusivity, exactly what the designers whose items are sold there are looking for), but, because the site has limited access, none of the sales or merchandise shows up in online searches. Landing an invitation to join is much easier than scoring an invitation to a brick-and-mortar New York sample sale, however. One of Gilt’s 2 million customers (75 percent of whom are women) can issue an invitation or interested shoppers can contact the company’s customer service department to receive one.

On its Web site, Gilt hosts about 70 sales each week and runs each one for just 36 hours before taking all of the merchandise down. “Whereas a department store might move a certain amount of product in a season, we can do it in 36 hours,” says Amanda Graber, Gilt’s public relations manager. The speed of the sales and the discreetness with which the company conducts them appeal to designers, some of whom were initially reluctant to offer their merchandise through Gilt. Thanks to the site’s tremendous success and rapid growth rate, that reluctance has withered. “I have so many brands banging down our door, that I have to say ‘no,’” says Wilkis Wilson. Gilt also boasts an incredible sell-through rate, the proportion of a designer’s inventory that customers actually purchase. In the typical department store, the sell-through rate is about 65 percent across a 12-week season; at Gilt, the sell-through rate typically is 92 percent, which means Gilt customers tend to pick the virtual racks clean! “Most online shopping mirrors brick-and-mortar stores,” says Susan Lyne, Gilt’s CEO. “They’re not taking advantage of what’s uniquely possible online, the heightened sense of entertainment and competition. A big part of the Gilt promise is discovery: You come every day, and it’s new every day.” Recently, an ostrich feather jacket from Alessandro Dell’Aqua, originally priced at \$3,175, sold for \$618. Normally priced at \$2,420, a Marc Jacobs leather bomber jacket sold for \$548. Generating sales totally online means that Gilt has a tremendous cost advantage over its brick-and-mortar rivals, which incur the expense of operating physical locations.

Maybank and Wilkis Wilson have been friends since they were students at Harvard, where they met in a Portuguese class. After completing Harvard Business School, Maybank learned the ropes of e-commerce at eBay and AOL, and Wilkis Wilson embarked on a career as a merchandising executive at luxury brands Bulgari and Louis Vuitton. The two had been discussing ideas for starting a business and told Kevin Ryan, former CEO of DoubleClick and now a venture capitalist, about their ideas. According to Ryan, his “eureka” moment occurred one day when he saw a long line of women waiting in line to get into a Marc Jacobs sale on New York’s 18th Street. “If there are 200 women who are willing to stand in this line,” he recalls thinking, “that means that in the United States there are probably hundreds of thousands. But they don’t live in New York, they’re busy right now, and they just can’t do that. We can bring the sale to them.” The skills, experience, and networks of the three proved to be the ideal launching pad for Gilt Groupe. Ryan, who knew of a French company called Vente Privée that had achieved success in Europe with online designer fashion sales, invested some seed capital, and the Web site went live in late 2007.

Sales at Gilt have grown very rapidly. When Maybank and Wilkis Wilson launched the site, there were just 15,000 members, most of whom came through their network of contacts. Today, Gilt boasts more than 2 million members— and growing. Just 2 years after start-up, sales had reached \$170 million, and 1 year later they were pushing \$500 million. Gilt’s success has convinced design houses to create clothing specifically for the site rather than merely selling overstocked merchandise. The company now works with more than 700 brands and has launched other sites such as Jettsetter, which offers travel deals; Gilt Fuse, which offers lower-priced brands such as American Apparel; and Gilt Man, which sells men’s clothing. Since launching the Gilt Man site, the company’s revenue from menswear has tripled. Some early Gilt

members complain that the company has moved away from its original concept, including many brands whose names they do not recognize.

The Gilt Web site has a decidedly upscale look, with muted colors and no flashing “sale” signs and appeals to the company’s target customers: upscale shoppers who are “aspirational” luxury buyers, people who are eager to purchase designer goods but cannot afford to pay full price for them. The key is to make sure that customers feel as though they are getting access to bargains that are not available to just anyone. The site also provides shoppers with extensive product descriptions and simple photographs of merchandise. “We deliver an incredible amount of information about the product,” says Lyne, “and we have a direct line to our customers every day.” The company also offers an iPad application for shoppers.

Gilt’s management team is exploring an initial public offering for the company, which was valued at \$400 million in its latest round of venture capital financing. Challenges do exist, however. “This is a pretty easy market to enter,” admits Lyne, “but the operational aspects of it are incredibly complex. We change out the store every night. Receiving, sale preparation, and shipping and fulfillment are incredibly complex.” Lyne is focusing on the company’s e-commerce strategy. “We have to be thinking about what the Internet makes possible,” she says. “Can we do something that drives the next wave of excitement in e-commerce? We need to get better at personalization. We need to be able to offer you different sales than we might offer somebody in Minneapolis or your mother.”

### Task

Submit a work proposal for this assignment by week 10<sup>th</sup>, which must include:

- Understanding of deliverables – a detail description of deliverables
- General overview of proposed plan - initial understanding of solution to all tasks
- Resources identified

### QUESTIONS:

1. What advantages the Gilt Group Company will be getting by operating solely online offers. ? What are the disadvantages? **(20 Marks)**

**Note: (Students are asked to provide at least 3 advantages & 3 disadvantages)**

2. What advice can you offer the Gilt Groupe’s management team as they continue to develop their e-commerce strategy? What steps can they take to stay connected to their customers and to keep their customers coming back? **(30 Marks)**

**Note: (Student answer must discuss the e-commerce strategy with all parameters and implementation plan with details)**

3. What Social, Legal and Ethical issues they must consider while developing the strategy for e-commerce for Gilt Groupe’s so that they must not face prosecution. **(30 Marks)**

**Note: (Students are expected to mention 3 points for each type of Issue)**

4. Documentation and Referencing.

**(10 Marks)**

**Note: (Students are expected to submit a well documented report along with at least 15 references.)**

*Note: For the assignment, student may write about 2500 words. Students are invited to discuss during class hours or office hours.*

***Presentation & Discussion Guidelines:***

- ***Zero marks will be awarded if student is absent for presentation.***
- ***You will present and discuss your proposal in class according to a schedule that will be announced by the instructor. The presentations will be done using the same document. There is no need to prepare Power-point slides. The presentation should not exceed 20 minutes, and additional 5 minutes will be given to discussions. The presentations will be scheduled on Weeks 13 and 14.***

**E-Commerce (COMP 1008)****Assessment Sheet**

<b>Deliverables</b>	<b>Expectation</b>	<b>0-10</b>				<b>Marks</b>
	<b>Proposal Submission</b>	<ul style="list-style-type: none"> <li>Understanding of deliverables – a detail description of deliverables</li> <li>General overview of proposed plan - initial understanding of solution to all tasks</li> <li>Resources identified</li> </ul>				
<b>Deliverables</b>	<b>Expectation</b>	<b>0</b>	<b>1-5</b>	<b>6-10</b>	<b>11-20</b>	<b>Marks</b>
<b>Q 1</b>	What advantages does operating solely online offer Gilt Groupe? What are the disadvantages?	No Attempt / Plagiarized Report	2 advantages & 2 disadvantages Provided. No analysis done or examples provided.	3 advantages & 3 disadvantages Provided. Answer, data & information are correct, relevant & sufficient. composition needs improvement, not supported by enough examples	3 advantages & 3 disadvantages Provided. Analysis done. Answer, data & information are accurate, relevant , duly composed, supported by good examples & references	
<b>Deliverables</b>	<b>Expectation</b>	<b>0</b>	<b>1-3</b>	<b>4-6</b>	<b>7-10</b>	<b>Marks</b>
<b>Q 2</b>	What advice can you offer the Gilt Groupe's management team as they continue to develop their e-commerce strategy? What steps can they take to stay connected to their Customers and to keep their customers coming back?	No Attempt / Plagiarized Report	2 advices provided for EC strategy. 2 steps provided to improve customer services.	3 valuable advices provided for EC strategy. 3 valuable steps provided to improve customer services. Answer, data & information are correct, relevant & sufficient. composition needs improvement, not supported by enough examples	3 valuable advices provided for EC strategy. 3 valuable steps provided to improve customer services. Analysis done. Answer, data & information are accurate, relevant , duly composed, supported by good examples & references	
<b>Deliverables</b>	<b>Expectation</b>	<b>0</b>	<b>1-3</b>	<b>4-6</b>	<b>7-10</b>	<b>Marks</b>
	What Social, Legal and Ethical issues they must consider while developing the strategy for e-commerce for Gilt Groupe's so that they must not face prosecution.	No Attempt / Plagiarized Report	Average attempt/ 1 points identified.	Good attempt/ 2 points identified.	Excellent Attempt/ 3 points for each identified	
<b>Deliverables</b>	<b>Expectation</b>	<b>0</b>	<b>1-3</b>	<b>4-6</b>	<b>7-10</b>	<b>Marks</b>
	Format & Referencing	Uncompleted/ Weak attempt	Referencing made but not CU Harvard Style.	Good Referencing made. Good Documentation	Excellent Referencing made. Good	

			Fair Documentation		Documentation	
--	--	--	-----------------------	--	---------------	--

<b>Total Marks</b>	
<b>Penalty</b>	
<b>FINAL Marks</b>	

### GUIDELINES

- ✓ For each requirement, students are expected to appropriately
- ✓ The document should be well presented and neatly done
- ✓ Assignment should be **computer typed** using Calibri 12 font and the **soft copy should be submitted through Moodle, duly checked by TurnItIn to check the similarity of work. Please note the time mentioned above and also go through the Middle East College plagiarism policy given below.**
- ✓ The report must have a Title Page, table of contents (optional), reference/ bibliography and page number. Every page must have header & footer.
- ✓ Heading should be with Font Size 14, Bold, and Underline.
- ✓ Each student has to do the assignment individually.
- ✓ You are welcome to discuss about the assignment with the lecturer in his/her office hours.

### Plagiarism Policy

**DO NOT DIRECTLY COPY/PASTE FROM INTERNET/BOOKS! DO NOT COPY FROM ONE ANOTHER! PRODUCE YOUR OWN ASSIGNMENT SOLUTION REPORT. The work submitted must be your own and must not be based on inputs from others. Your assignments shall be submitted to electronic databases to identify plagiarism. If assignment is found to be plagiarised, action will be initiated. Please refer to MEC policy on plagiarism the Student Handbook for more details:**

As per MEC policy, any form of violation of academic integrity will invite severe penalty. Plagiarised documents, in part or in whole, submitted by the students will be subject to this policy.

#### Plagiarism

- A. First offence of plagiarism
  - a. If a student is caught first time in an act of plagiarism during his/her course of study in any assignment other than project work, the student will be allowed to re-submit the assignment once, within a

maximum period of one week. However, a penalty of deduction of 25% of the marks obtained for the resubmitted work will be imposed.

- b. Period of re-submission: The student will have to re-submit the work one week from the date he or she is advised to re-submit.
  - c. If the re-submitted work is also detected to be plagiarized, then the work will be awarded a zero.
  - d. Re-submission of the work beyond the maximum period of one week will not be accepted and the work will be awarded a zero.
  - e. If the student fails the module and has a proven case of academic integrity violation in this module , the student is required to reregister the module
  - f. If plagiarism is detected in Project work (Project 1, Project Planning and Project Design and Implementation) the above clauses (a,b,c,d) do not apply and the work will be summarily rejected. In these cases the student will be awarded a fail (F) grade and is required to re-register the module
- B. Second offence of plagiarism**
- a. If any student is caught second time in an act of plagiarism during his/her course of study (in a subsequent semester), the student will directly be awarded zero for the work in which plagiarism is detected. In such cases, the student will not be allowed to re-submit the work.
  - b. If the student fails the module and has a proven case of academic integrity violation in this module, the student is required to re-register the module
- C. Third Offence of plagiarism**
- If any student is caught for the third time in an act of plagiarism during his/her course of study (in a subsequent semester), the student will be penalized with a fail in the module and shall be required to re-register the module.
- D. Fourth Offence of plagiarism**
- If any student is caught for the fourth time in an act of plagiarism during his/her course of study (in a subsequent semester), he shall be suspended from the College for a period of one semester.
- E. Fifth offence of plagiarism**
- If any student is caught for the fifth time in an act of plagiarism during his/her course of study (in a subsequent semester), he shall be expelled from the College

### **Malpractice (MP)**

- A. First offence of MP**

If a student is caught in an act of malpractice for an assessment component irrespective of coursework or end semester, the student shall fail the module and shall be required to re-register the module.

**B. Second Offence of MP**

If a student is caught a second time in an act of malpractice for an assessment component irrespective of coursework or end semester (in a subsequent semester), the student shall be suspended for one semester from the College.

**C. Third Offence of MP**

If a student is caught a third time in an act of malpractice for an assessment component irrespective of coursework or end semester (in a subsequent semester), the student shall be expelled from the College.

**Other cases**

It denotes all other forms of academic misconduct including but not limited to ghostwriting, collusion, fabrication, falsification, unauthorized access to unseen examination papers and other academic and administrative documents/systems and aiding academic dishonesty/misconduct

If a student commits an act of academic integrity violation whether defined as above as “other cases” or of a different nature, those cases shall also be forwarded to a departmental level committee set for the purpose. The committee shall investigate the case by means of a viva and/or a disciplinary hearing and shall take appropriate decision.

**As per MEC policy, the minimum penalty that can be granted to a proven case of academic integrity violation which falls in the category of “malpractice” or “other cases” is a fail in the module. The student shall be required to re-register the module.**

**Late Submission Policy:**

Students must reach their respective teachers to know specific details on submission and late submission of assignments. For late submissions a penalty of 5 per cent of the mark achieved for that assessment will be deducted for each working day. Assessment documents submitted beyond a period of one week after the last date of submission will not be accepted and will be marked as zero for that assessment

**Rules & Regulations**

If any topic or diagram of an assignment is found copied from the other then marks will be deducted from both assignments.



Assignments with 3 or more identical topics will be awarded **0 Marks**.