

**E-SHOPPING WITH DRIVE-THROUGH (eWay):
EFFECTIVE DRIVE-THROUGH OPERATION FOR eWay**

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UNIVERSITI SAINS MALAYSIA

2010

G-GROUP

**E-SHOPPING WITH DRIVE-THROUGH (eWay):
EFFECTIVE DRIVE-THROUGH OPERATION FOR eWay**

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**Dissertation submitted as partial fulfillment of the
requirements for the degree of Master of Science
(Information Technology Technopreneurship)**

December 2010

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Effective Drive-through Operation for eWay.

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Student Signature: Date :

Acknowledgement of receipt by:..... Date:

ACKNOWLEDGEMENTS

The successful completion of this dissertation is contributed from a few important persons that I would like to express my gratitude. Without them, the progress and development of this dissertation would not have achieved as intended. First of all, my greatest appreciation and big thank you to my supervisor, Ms Nasuha Lee, she has been very helpful and showing a lot of guidance in making this dissertation a success. I wouldn't be able to accomplish to this stage without her support, additional time and effort spent with me on this project. Also, I would like to thanks Dr Nasriah Zakaria who gave me the opportunity in pursuing the dissertation, the learning experience had been a pleasant journey.

Next, I would like to thank to my family for their full understanding of my career and study this time round. Last but not least, the most important person who inspires me a lot in my life, Jason. Thanks for the encouragement, motivation and the help that was provided to me.

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ABSTRAK

Pelanggan membeli barangan keperluan melalui pasaraya untuk memenuhi keperluan harian. Model pembelian di negara Malaysia memerlukan pelanggan memasuki pasaraya untuk membeli barangan keperluan, iaitu pembelian secara tradisi. Memandangkan kesulitan ini, G-group memperkenalkan produk perkhimatan 'eWay' iaitu pembelian dari laman web disertai dengan panduan lalu untuk menangani masalah-masalah seperti kekurangan tempat meletak kereta, tidak dapat mencari barangan dari rak pasaraya dan membaris panjang untuk bayaran di kaunter semasa membeli-belah. Pembelian elektronik daripada eWay mampu menangani dan meringankan beban pelanggan semasa membeli-belah. Model yang paling biasa dalam pasaran hari ini adalah pembelian elektronik disertai pembekalan penghantaran terus ke rumah pelanggan. Namun demikian, terdapatnya rintangan seperti kesukaran mengekalkan suhu pengawetan makanan dan penghantaran yang terhad untuk lingkungan masa yang ditetapkan sahaja. Jadi, satu kajian dalam penglibatan pengedaran baru untuk pembelian elektronik dikemukakan, iaitu pembelian elektronik secara pandu lalu. Fungsi pembelian elektronik dari laman web akan dikemukakan dalam bahagian produk dan perkhimatan sebagai penyelesaian masalah pelanggan. Pemanduan lalu bagi eWay akan dikaji selidik dan ia merupakan pengedaran yang baru bagi pembelian elektronik. Penyelidikan ini adalah mengenai operasi yang lancar untuk pemanduan lalu bagi eWay. Operasi yang lancar didapati berasal daripada teknologi, orang dan proses. Penglibatan teknologi, orang dan proses akan menghasilkan kelancaran operasi dalam eWay yang akan dibincang dan diuji melalui penyelidikan. Penemuan yang diperolehi adalah memuaskan dan ia dapat mencapai masa pengutipan barangan tempahan daripada pelanggan, iaitu dalam jumlah lapan barangan tempahan atau di bawah, ia akan memerlukan masa lima minit sahaja. Masa perkhimatan di kaunter juga akan dikira melalui alat pengawalan masa

panduan lalu . Masa perkhimatan ini akan dijangkakan daripada pengajian masa perkhimatan yang didapati dari sektor pemprosesan makanan pantas. Keputusan yang didapati menunjukkan perkhimatan panduan lalu dari pasaraya adalah didapati kurang daripada lima minit untuk seseorang pelanggan supaya mendapatkan barangannya. Maka keputusan ini menunjukkan ianya dapat mencapai masa pengutipan barangan daripada pelanggan secara pemanduan lalu, iaitu tempahan utama selama satu jam dan tempahan biasa selama dua jam. Untuk mencapai keputusan ini, sistem kad pintar digunakan untuk mengawal lalu lintas bagi kenderaan dari lorong panduan lalu dan sebuah stor penyimpanan barangan didirikan bersebelahan dengan kaunter pengutipan. Maka, kelancaran operasi panduan lalu dapat dicapai melalui peningkatan dari segi pengkhususan bagi aspek yang dapat diuji serta dari segi teknologi.

G-group, sebuah perniagaan keluarga yang terdiri daripada tiga orang pemegang saham. G-group bercadang untuk bergabung perniagaan dengan pasaraya untuk eWay. Pendapatan bagi G-group adalah dijangkakan sebanyak RM 269,373.50 bagi tahun pertama, RM 1,446,530.00 bagi tahun kedua dan RM 3,434,269.50 bagi tahun ketiga.

ABSTRACT

Customers purchase grocery from retail stores to fulfill living needs and requirements. The current purchase model in Malaysia requires customers to walk in to the store to perform purchase activity, predominantly referred to as traditional purchase store. In view of this, G-group implements a product and service 'eWay' e-shopping with drive-through to resolve problems of parking, item search from the aisle and long queue in retail store. Mainly, **electronic grocery shopping (EGS)** from eWay can address these customer pains. Today the common distribution model applied in retail businesses in the market are EGS with direct home delivery. Some of the challenges still found in EGS with home delivery are preservation temperature requirement, limited delivery window particularly. Thus, an exploratory and new distribution of EGS being suggested, it is EGS with drive-through. The features for the electronic shopping are introduced in product or service development section for the solutions to customer problems. Drive-through research is carried out for this new distribution of EGS. The research is effective drive-through operation for eWay. Effective operational results came from comprehensive approach on technology, people and process. The attributed areas for technology, people and process in contributing to the effectiveness was also studied and measured through the design research methodology. The findings showed a feasible drive-through service with a total of eight purchases in a customer order was able to be completed within five minutes from the work group. The service time at the counter is clocked with the drive-through timer installed in the customer collection booth counter based on the benchmark of 'QSR', **Quick Service Restaurant** service time performance. It showed less than five minutes of processing time for a customer's collection from the collection booth counter. The result of the processing time shows that it was able to meet the packages offered in eWay which is, Priority order requires to be fulfilled in one hour

and the normal order in two hours. To achieve all this, Smart card system is used as a control system to manage the car traffic in the drive-through lane and a warehouse is set up next to the collection booth counter. Hence it can be concluded that effective drive-through operation can be achieved through optimization of specific measurable service goals and technologies.

G-group, a family based of business comprises of three business shareholders, targets to collaborate with hypermarket to launch eWay. The sales revenue for G-group is projected with RM 269,373.50 in the first year, RM 1,446,530.00 and RM 3,434,269.50 on the second and third year respectively.

SECTION 1.0

Executive Summary

People from every corner in the world perform purchase for the mere fundamental requirements in living. Presently, the purchase model in Malaysia is not diversified and is limited as compared to stores internationally. Majority of the retail customers in Malaysia need to walk in to the stores premises to perform grocery purchase. Walking through these entire steps of the purchase process sometimes causes unnecessarily time waste. For instance, scarcity of parking bays, prolonged item search time, and long queues at the payment counters may result in painful experiences especially when the customer is in a rush. Besides that, the lack of awareness on grocery stock consumption at home, high frequency of running out of grocery stock, purchase beyond grocery budget are some of the impacts to deal with. Customers need to manually track down all the records in detail. The key concern today is customers do not have time for all of these.

We recognize the ‘user pains’ and therefore the company, G-group offers ‘eWay’ product and service which can be described as e-shopping with drive-through. The eWay product is divided into two main services which are (1) the online shopping purchase, and (2) drive-through pick up. Primarily, online shopping purchase is similar to electronic grocery shopping (EGS) which is basically an online web site for grocery purchase. Whereas, in the eWay, there are many features which are incorporated in the web site.

Firstly, a grocery inventory automatic alert function to trigger customers when meeting the timeline for grocery replenishment. Next, the grocery expenditure management, a function that provides spending management to customers. Thirdly, there are informative searches for customers who intent to read more on the product before deciding on the purchase. These are all

the uniqueness of functionality found in eWay. The competitors for eWay are those retailers or grocers who offer online shopping service to the customers. Nationwide, notably there are a few online shopping facilities based on companies such as Jusco Klang, virgrocery.com, doorstep.com, KHAS and so forth, which offer direct delivery service, however it also comes with a variety of built-in delivery charge. In the international markets too, there are online shopping with direct home delivery such as in Carrefour, Tesco, Target, Woolworth to name a few. However, there is only one such drive-through model locally, the Petronas Mesra, located in Subang Jaya, but it is not an online shopping. At the Petronas Mesra drive-through customers drive-through the convenience store at the Petrol Station for purchase.

For the second part of the services, it is the drive-through pick up service from the retail premises. Customers who purchase through online shopping web site will pick up the groceries from the premises after that. Mainly, these services resolve a lot of 'user pain' encountered in traditional shopping. Currently, G-group targets to implement eWay in hypermarket retail business. Hypermarket is one of the leading retail businesses and it has proliferated much as seen in the international or nationwide markets. Hypermarket offers a full range of products to customers and it provides convenience to them. Online purchase would magnify hypermarket revenue in return. Currently G-group is eyeing on Tesco hypermarket as a key partner for this business collaboration. The drive-through service's main function at fast food chains is to provide convenience of purchase to customers, hence, by adopting drive-through concept into hypermarket, after placing the order through eWay web site, customer proceed on with the drive-through pick up from the premises after a set duration of time. In the eWay drive-through, apart from the 2 hours pick up after order placement (for normal order), we also offer premium service to customers with a 1 hour pick up after order placement for priority order.

Being a pioneer in this industry and having its first set up in Penang, Malaysia, the customers can leverage this service and enjoy an efficient lifestyle. There is government effort in ensuring the affordability of computer ownership for every citizen, increase in computer capability, providing communication device with good connectivity, Free Wi-Fi state strategy. All these market trends have provided an easy access to the internet now compared to the past. For a start, G-group will launch eWay in the main cities of Peninsular Malaysia. The states chosen were Penang for year one and Selangor for year two. The target market is consumers in the 20-54 years old age group who have access to internet. This age group makes up 48% of the population, according to Population and Vital Statistic (2009), and 62.6% of them have access to internet according World Bank Development Indicators (2008). Besides that, Peninsular Malaysia with a large majority using the car as main mode transportation makes drive-through a viable and successful distribution channel.

G-group, a family based business would need RM200,000 to kick off this business venture, three of the business shareholders will use their own savings as the start up fund for the business. Additionally G-group will also apply Cradle Investment Program (CIP) to collect start up fund. During the first three years, the company would leverage the talent and reduce expense. The sales revenue is slated with RM 269,373.50 in the first year, RM 1,446,530.00 and RM 3,434,269.50 on the second and third year respectively. G-group estimates to achieve a break-even in 9 months. In the long term , G-group targets to introduce more service models through eWay. Last but not least, G-group's ultimate goal is to penetrate the product and service into national and global markets, and stand up as independent business.

SECTION 2.0

INTRODUCTION TO THE COMPANY

2.1 Company background

G-group is founded by Guan Huoi Ying, a postgraduate student of MSc. IT Technopreneurship program. It is a new start up, family based business. The shareholders will hold the main positions in the company. The company strives to be the first to enter the new market. At some point, the company would take some calculated risk based on thorough analysis and survey. This is especially during the first three years when the business gets crucial.

G-group organization has mission and vision to simplify and improve consumer lifestyle in retail market as well as to provide pleasant shopping experience to consumers. To stay competitive, the business emphasizes on creativity in science and technology, business techniques and skills in order to become leader in this premier service line. G-group has talented resources, a dedicated and vision minded team that always strives to achieve success in the business. For a start, we will collaborate with hypermarkets, through which creditability for a new company such as G-group can be achieved. By embarking on such a strategy and collaborating with an already well known established grocery company in the market, the new product and new company can reach new heights in the market. Over time, the company will also build up a good reputation in this industry.

2.2 Business Intent

Fundamentally, G-group is very clear in the mission to achieve simplification and improvement for consumer lifestyle. eWay is a product and service based business. Among the types of services business, hybrid proposition is described as a combination of products and services. The success of the hybrid relies on continual improvement. Operations of the service must be streamlined, effective and efficient (Bryson, 2008). To deal with this, G-group has to strengthen the talented resources, for they are the key resources in the company. In order to be ready and to achieve improvement in the business the roles for each of the players vital in contributing to the business and to maintain optimum process and operation in the running of the business must be specified. We value the contribution of each of the people to the company along the way, and we provide opportunities and motivation to the people and ultimately develop the skillful, knowledgeable resources as a whole to support the business and achieve business target and purpose. Continual improvement is our core business element. eWay is a cutting edge innovation of product and service. We continue to streamline the service business to achieve effectiveness and efficiency in the operational process, and features of the business model.

2.3 Growth Strategies

G-group plans to collaborate with hypermarkets to make a viable business with fast penetration of product and service to consumers through a well-known established retailer. The new business growth is based on the evolution of previous products or services. We implement eWay, a new evolution of product and service and we understand that the importance of the growth of the business relies on continual of improvement and evolution. Noriaki Kano (Kano model, 1984), professor in Department of Management Science, Faculty Engineering Science at University Tokyo notes that incremental new business growth comes from the understanding of customer performance needs. He defines out three levels of customer needs: basic, performance, and excitement. Basic needs is fulfilling basic needs which never leads to customer satisfaction and failing to deliver basic needs always leads to dissatisfactions. Performance needs are the needs that customers recognize and are able to articulate. Excitement needs are often not articulated by customers. In order for G-group to sustain and ensure continuity of business growth, G-group will continue to create solutions that amaze customer in order to go beyond from basic and performance needs of the customer. According to (Mason, 1990), adding new products and services are one of the opportunities for growth and profit. Once the company is strong in the consumer market, G-group is targeting on setting out as an individual and independent company.

2.3.1 Financial Strategies

G-group is getting the seed fund from its own savings. The contributions are RM 100,000 from CEO and RM 25,000 from the two other shareholders respectively. Total RM 150,000 of seed fund will be used for the business start up. The seed fund would get the business ready with first investment on web site development and wages of manpower. The fundamental element is to achieve all the business intent with minimal expenses. With talent leverage strategy and expenditure control for business start up, it is projected that the company would achieve break-even in 9 months. In addition, G-group would apply for Cradle Investment Programme (CIP) which is one of the channels to gain pre seed fund for technopreneur business. We hope we can get around RM50,000 from winning the Cradle Investment Programme (CIP). In the event we are not able to get this amount from CIP, the company will consider to get loan for the business.

In the partnership program, G-group collaborates with hypermarket and is responsible to provide guidance and all the concepts and ideas on facility set up. The plan is to have the extension from current facility or premises by setting up single drive-through lane. The structures are encouraged not to be too complicated, but however, more focus would be on structured facility and simplicity. It is estimated to be around RM 300,000 to set up the drive-through lane, facilities and equipments. The drive-through lane is assumed to be built on existing road and land available in hypermarket. G-group is proposing that the hypermarket absorbs the operation facility set up charges, in view the benefit of revenue gain return to hypermarket as a whole. Based on projection, hypermarket would get the return of investment within a year time. (Refer Section 4.3)

2.3.2 Technology and Product Development Strategies

Technology and product development strategies are in the company's business roadmap. Along with the e-commerce and the unique drive-through strategies, G-group will seize the chance to get involved in the mobile technologies for greater of product development. First, we will have a fast launch on the features of the product and service in eWay to the customers. This is a program system on the website that has the ability to trigger data retrieval, information search and send data to customers' email address. By moving along with current popular mobile technology, for example the Smartphone- a famous handheld phone today, eWay will seize the opportunity to utilize the appliance available in the Smartphone. This is an advance level of outreach aside from the common access from the normal computer access appliance. A common appliance in Smartphone that differs from common mobile phone is its functionality to check email and access HTTP. Hence, eWay will embrace this technological appliance in the mobile phone, connecting customers by sending the data to them, hence providing the access to eWay shopping web site. This in turn will facilitate the ability to retrieve the data at anytime and anywhere. On the whole, eWay will soon become a famous partner to customers through their hand held phones. When the company moves into its second year, we will strengthen and work more on the stabilization of the features that offer more powerful search engine and data retrieval. The strategy to collaborate with a mobile phone company is with the hope that they will add new and unique appliances in the phone, thus providing customers improved accessibility to read the shopping profile status with online shopping details with just a few clicks.

2.3.3 Marketing Strategies to Increase Market or Mind Share

For long term business strategy, G-group aims to dominant the market share in the market segment that it serves. To achieve this aim, G-group strives to increase the sales volume and market share for business. According to the plan of record, Selangor is the next target after Penang state. The population in Selangor is triple in volume as compared to the population in Penang, a significant marketplace for G-group to apply eWay services. The ultimate plan is to create a niche market in Malaysia and then internationally, by implementing eWay to all the potential hypermarkets including outside of Malaysia.

The right aim for the right market will help G-group achieve market share in time. Both the U.S and the U.K. have captured the market sales of 41.2% and 7.3% respectively from the top 250 retailers of sales in 2008 (Figure 2.0). In addition to this, U.S and U.K are the two regions having the top Q ratio. A Q ratio of more than 1 means financial markets are valuing a company's non-tangible assets, whereas if less than 1 indicates failure to generate value on the non-tangible assets. From the Deloitte analysis, it shows that U.K and U.S are the top two regions having higher Q ratio (Table 2.0), and the format of hypermarket business occupies the second place (Table 2.1). Thus, these are the great potential markets that G-group is looking for with the aim of expanding the company sales volume and market share. Currently, G-group is targeting to kick start in the international market in year four after the business stabilizes in nationwide market. Despite the economic crisis just come to a close on 2009, there seems to be an encouraging growth sign. G-group however would like to put the international growth plan into the roadmap, while also monitoring the market trade to ensure we target at the right timing. Currently we plan for international penetration in year four.

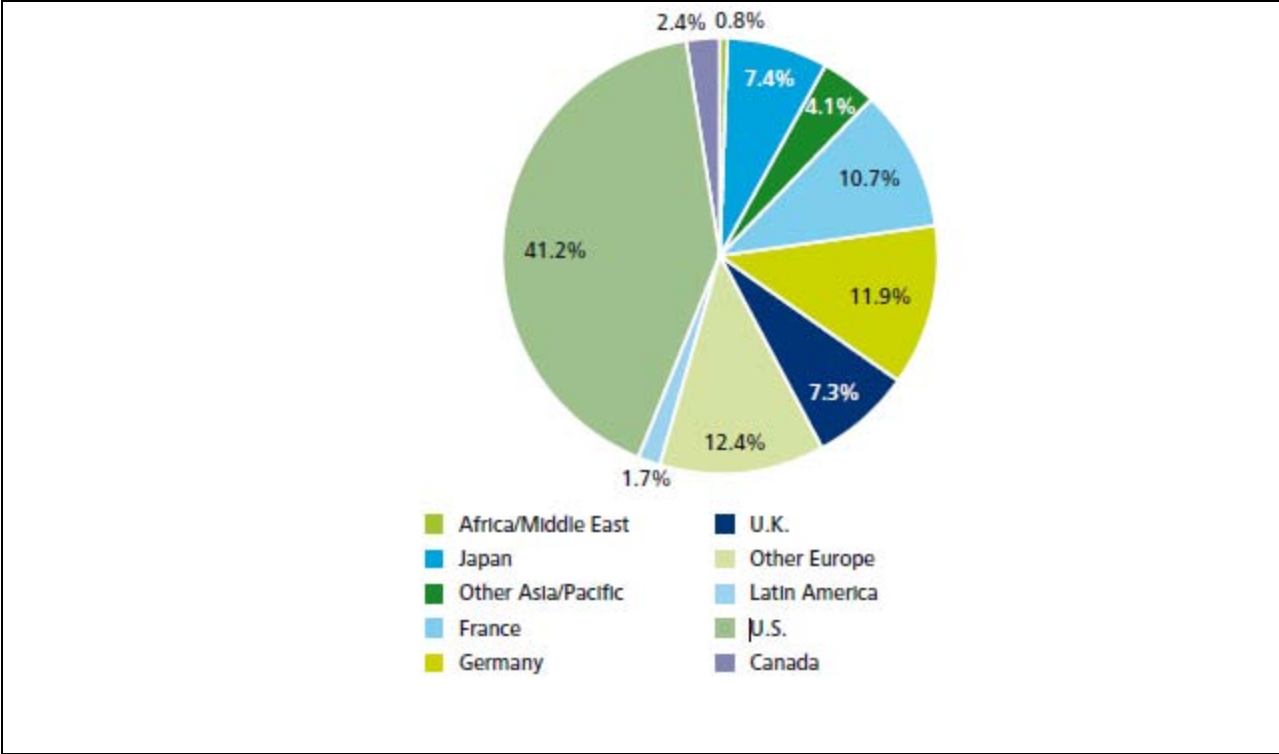


Figure 2.0 Share of Top 250 Sales by Region or Country in 2008

Source : Deloitte Touche Tohmatsu, 2010

Table 2.0 Composite Q Ratios by Region

By region/country	
USA	1.338
U.K.	0.699
Japan	0.450
Eurozone	0.719
Canada	0.773
Emerging markets	1.384

Source : Deloitte Touche Tohmatsu, 2010

Table 2.1 Composite Q Ratios by Business Format

By format	
Supermarket	1.210
Hypermarket	0.902
Home Improvement	0.935
Electronics	2.563
Drugstore	0.882
Department store	0.542
Convenience store	0.445
Apparel/footwear	2.483
Discount stores	1.062

Source : Deloitte Touche Tohmatsu, 2010

2.4 Target Markets

The target market for G-group is the consumer. Consumers are the end users of products and services (Strauss, 2009). We collaborate with hypermarket in the eWay business. Hypermarkets pose a good potential in the retail market as it will serve full lines of products to the consumer stream. Hypermarkets are stores larger than 8,000 square meters (86,000 square feet) according to *Getting Started: Hypermarket Business in Malaysia* (2005). The varieties of products offered from the store generate a good revenue stream in return to hypermarket and G-group. Hypermarkets show a great potential in the variety of goods offered compared to small retail shops. Many of the famous global hypermarkets are seen setting up the branches in Malaysia, such as Carrefour, Tesco, Jusco and etc. Malaysians are accustomed to the hypermarket shopping according to the recent pre market questionnaires survey that G-group conducted out (Refer 5.1.1). Malaysians find hypermarket a convenient shopping activity. The survey also indicated Tesco as the most famous hypermarket amongst all the other hypermarkets in Malaysia. Thus, G-group is aiming on Tesco as a potential of business partner.

Geographically, the Penang Tesco is strategically located, along Penang coastal highway, 1-2 km away from Penang Bridge. It has good highway connectivity advantage and thus would not be easily congested. The facility implementing the eWay service would require a good traffic network condition to kick start, with smooth speedy drive-through program. In addition, Tesco is wide, spacious and has aisles of driving lane which are already in the facility, hence providing great readiness for a drive-through program conversion.

The hypermarket consumer group that would potentially adopt eWay product is as follows,

- Group of ages between 20 – 54 years old
= $(13,700,500 / 28,608,700) \times 100 = 48\%$ (Table 2.2)
- Have access to internet
= 62.6% (Table 2.3)

Approximate 48.0% of Malaysian fall in this age group of between 20 – 54 years old (Table 2.2), where 62.6% of them have accessibility to internet (Table 2.3). There would be total of 8.6 mil. Malaysian users who would become potential users of eWay throughout Malaysia.

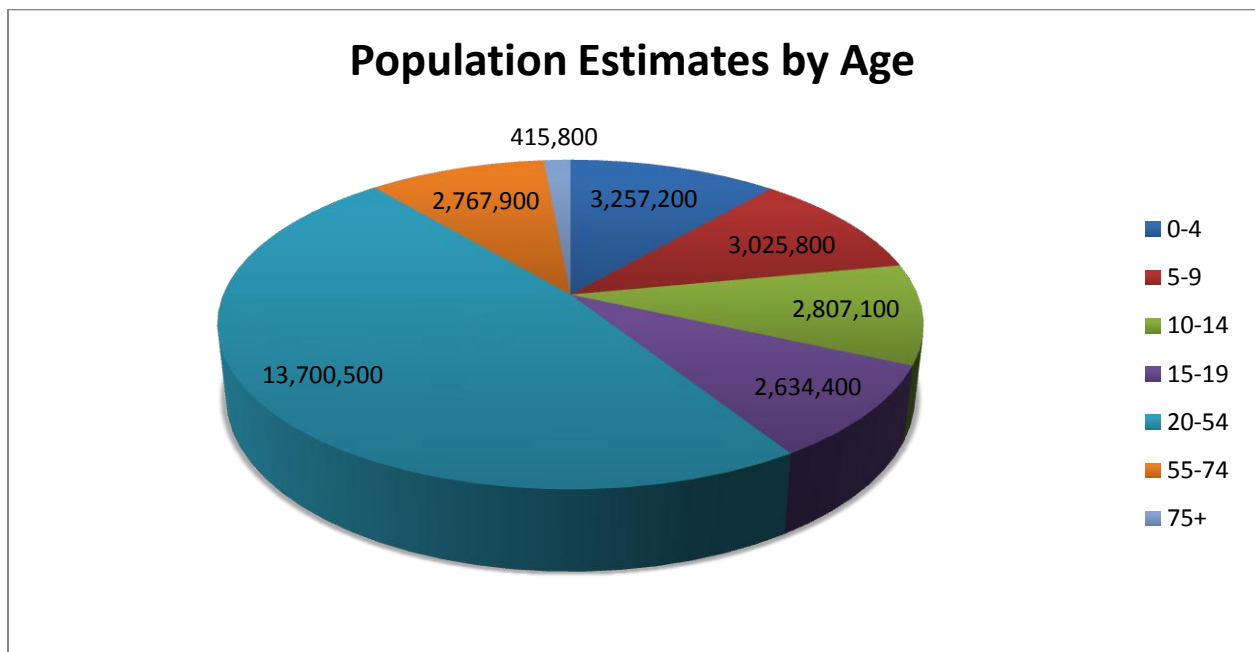


Figure 2.1 Population Estimates by Age

Source : Population and Vital Statistic, 2009

Table 2.2 Population Estimates by Age

Source : Population and Vital Statistic, 2009

Age Group	Population Estimates	Percent
0-4	3,257,200	11
5-9	3,025,800	11
10-14	2,807,100	10
15-19	2,634,400	9
20-54	13,700,500	48
55-74	2,767,900	10
75+	415,800	1
Total	28,608,700	100



Figure 2.2 Percentage Internet Users in Malaysia

Source : World Bank Development Indicators, 2008

Table 2.3 Percentage of Internet Users in Malaysia

Source : World Bank Development Indicators, 2008

Year	Percentage
2000	21.4
2001	26.7
2002	32.3
2003	35
2004	42.2
2005	48.6
2006	51.6
2007	55.7
2008	62.6

G-group is aiming on Penang for the first year and Selangor in the second year. According to the population by states, it is estimated around 1,577,300 for Penang and 5,179,600 for Selangor (Table 2.4). With 48.0% of this group falling under the ages of 20 – 54 years old and 62.6% of them are internet users, thus, the potential customer utilizing eWay would be 473,947 for Penang and 1,556,366 for Selangor.

Table 2.4 Total Populations by States

Source : Population, Household & Living Quarters,2009

State	Total Population (‘000)
Johor	3,385.20
Kedah	2,000.00
Kelantan	1,634.20
Melaka	769.3
N. Sembilan	1,013.90
Pahang	1,543.30
Perak	2,393.30
Perlis	240.7
Penang	1,577.30
Sabah	3,201.00
Sarawak	2,503.60
Selangor	5,179.60
Terengganu	1,121.10
W.P. K. Lumpur	1,655.10
W.P. Labuan	89

$$\text{Penang users} = 1,577,300 \times 48\% \times 62.6\%$$

$$= 473,947$$

$$\text{Selangor users} = 5,179,600 \times 48\% \times 62.6\%$$

$$= 1,556,366$$

2.5 Revenue model

The revenue for G-group comes from two streams, namely (1) membership program charges and (2) drive-through service charges. **Membership program charges** would refer to e-shopping membership enrollment fees. Each of the customers who enroll in the membership program would need an annual enrollment fee of RM10. **Drive-through service charge** would be the service charge incurred per purchase. For every eight items or quantity per purchase there would be a charge of RM2.00 for priority order and RM1.50 for normal order. The membership charges will contribute proportionally to the revenue stream to the company, when compared to drive-through service charge. In the collaboration strategy with hypermarket, G-group shares both of the two revenue streams with hypermarket. There would be an equal split, in which each party shares 50% of the total sales. Both the companies will enjoy equal portion from the total revenue of the business ultimately. Refer section 6.0 for more detail.

2.6 Operational Setup

During infant stage of the business, G-group focuses on the set up of the web site, thus the location of the operation would not be important. However we have defined the work place which replicates SOHO work style where work will be from home. Nevertheless, it is considered quite flexible at this stage in terms of the work place. When the company starts to collaborate with hypermarket, there would a need for an office set up in the hypermarket. Primarily, it is essential to have a small operational office for critical drive-through lane implementation monitoring stage as well as business management requirement. In the long run, G-group would like to have a permanent office in hypermarket upon the launch of eWay product.

2.7 Long Term Goals of Company

The long term goals are to dominate the online shopping and drive-through in national and global markets. Besides that, current features in the system provides control and history view of grocery expenditure, informative website, and stocks triggering to the customer. In times to come, G-group would develop more advanced and interactive systems that would have more customization according consumer requirement and we hope we will develop the strong market with the mobile technology. That way, it would create more interactive and lively system thus achieving efficient and effective goals to aid in the customer lifestyle. G-group would continue to optimize the drive-through operations which is also one of the key areas to achieve operational improvement to sustain the business in the long run. Besides of strategizing in the product and service improvement to ensure competitive edge in the global market, we aim for the company to be a listed company in Malaysia within the duration of three years. It is vital that the company achieves a sizeable, trustworthy growth, which will be profitable, and in line with the caring model of the company. This way, not only the company will gain confidence and trust from the shareholder or future investors, but it will also strengthen the company's profile and capability to target on international markets on year four which is in the pipeline.

2.8 Market & Competitors Information

Market

From the graph below we can see that the Hypermarket is in third ranking among all the retail business from the top 250 global retailers in 2008. (Refer Figure 2.3). The hypermarket potential business is enormous.

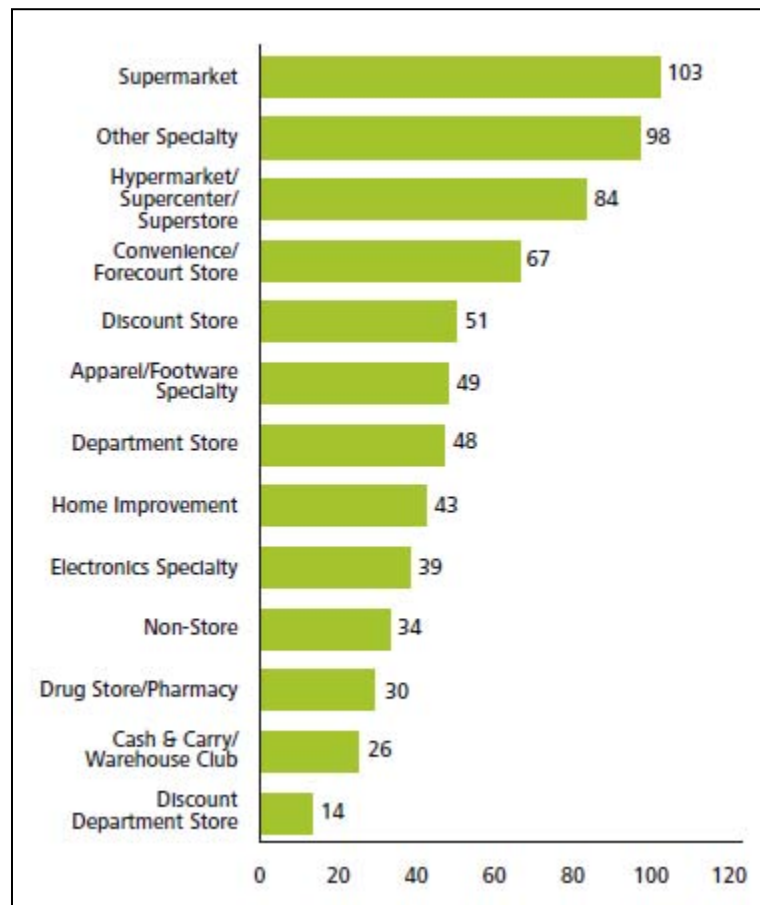


Figure 2.3 Retail Formats Operated by Top 250 Retailers in 2008

Source: Deloitte Touche Tohmatsu, 2008

Competitors

Despite being the pioneer in the market, eWay is still a new entrant into this field. No doubt there is no or similar product in the market currently, however recently there is Tesco drive-through trial launch in the United Kingdom in August 2010. Nevertheless, it is still not completely the same product and service as the Tesco drive-through in U.K. is still in the trial run phase. For G-group, we will focus on the current main competitors to the business by referring to nationwide and international existing competitor's in this business. That would be the potential competitor for eWay. The competitors to eWay service product are classified on the Electronic Grocery Shopping similar type of business however might be using other distribution channel from eWay drive-through process. These groups identified are the EGS with home delivery service which is most commonly found overseas and a few that can be found nationwide. There are also some local based retail shops that is provide home delivery service from their grocery stores. Drive-through grocery is not found in Malaysia however there is one existing Petrol station in Malaysia which offer drive-through service from the convenience store at the station.

2.8.1 Home Delivery from Hypermarket

There are many home delivery services in hypermarket, mostly found in other countries and not so popular in Malaysia. They are similar to the EGS with home delivery distribution which can be found in hypermarkets such as Wal-Mart, Carrefour, Tesco, Target, Woolworths, groups that largely provide home delivery services to consumers. Generally, the shipping charge is based on the size of item, the shipping mode such as standard or express service and destination ship. For the processing lead time incurred, the soonest is the one day from the express service, however it comes with the express charges at the same time. Furthermore, it requires customers to place the orders on certain time frame in order to achieve express delivery in a day. All of these show that there are high shipping cost and longer shipping lead time provided by these competitors. (Table 2.5). Table 2.5 information is obtained from sources from individual web pages of retail business such as Wal-mart, Carrefour, Germany's Metro AG, Tesco, Target and Woolsworth Ltd as well as Top 250 global retailers 2008 from Deloitte Touche Tohmatsu, 2008. There are processing times, standard shipping lead time and express shipping lead time incurred indicated in the table. For instance, Wal-mart processing hours is from one to two days, standard shipping lead time around three to five days depending on the destination of the delivery to be made. If the customer needs them urgently, the express shipping lead time is one day. By viewing the entire famous and successful stores that have world ranking in the table, these stores provide home delivery which are always inclusive of processing hours, shipping lead time, considering the soonest with express shipping. It still requires a minimum of one day total delivery lead time to reach the customer's home, taking into account the entire delivery time needed.

Table 2.5 Home Delivery and Shipping Lead Time for Overseas Hypermarket

Store	Country	Ranking in World	Home Delivery	Stores World Wide	Years	Processing Hours	Standard Shipping lead time	Express shipping lead time
Walmart	U.S.	1	Yes	8,446	48	1-2 days	3 – 5 days	1 day
Carrefour	France	2	Yes	15,500	40	Subject to area	Subject to area	Subject to area
Germany's Metro AG	Germany	3	No	2,100	14	NA	NA	NA
Tesco	U.K.	4	Yes	4,811	54	1 day*	1 day	2 hours
Target	U.S.	10	Yes	1,740	48	1 day	3 – 5 days	1 day
Woolworths Ltd	Australia	22	Yes	NA	86	Subject to area	Subject to area	NA

*small items and need order to place by 12 noon from Sunday to Friday. Saturday will be delivered on anytime on Monday.

2.8.2 Home delivery businesses in Malaysia

In Malaysia, it is very common to find home delivery services in fast food chains, however fast food chains would not be the competitors for G-group. At present, there are few mushrooming small grocery retails in which customers go through the electronic grocery shopping on the website and have the goods sent to their doorstep. For instance, one of the companies named *doorstep.com* provides corporate businesses with home delivery service. For this kind of home delivery service, there is shipping charges required from customers. The charges will be obtained only upon call enquiry follow up. However, if the total purchases exceed RM 150, no shipping cost will be incurred. Currently *doorstep.com* provides such serviced only to a limited area which is only in the Klang Valley neighborhood. Jusco Klang provides similar business to the doorstep but the product ranges are slightly different. So far, only the AEON retail offers home delivery services to customers in Malaysia. It is free of charge when the purchase is above RM 300 within Klang Valley. For the purchase amounting lesser

than RM300, shipping cost will incurred. Virgrocery.com has a wide range of delivery charges as indicated in the Table 2.6. Table 2.6 information are obtained from sources of individual web pages of retail business such as Jusco Klang, *doorstep.com*, KHAS, Virgrocery.com, Carrefour, Jusco, Tesco , Giant.

The pre-market survey done by G-group (Refer section 5.1.1) indicates that it is hardly can achieve RM 300 per purchase from Jusco Klang and RM 150 from door-step in order to enjoy free shipping. This is due to the pre-market survey from G-group in section 5.1.1 shows that weekly purchase activity are in desired from Penang and Selangor residents. The monthly spend accumulate out from 4 times of visit in a month for instance is not more than RM 250. Most probably but not occasionally, it is difficult to achieve free shipping from Jusco Klang and *doorstep.com*. Besides that, famous global or local hypermarket such as Tesco, Carrefour, Giant, Jusco are yet to set up their home delivery service to customers in Malaysia, nor the drive-through program.