1. Explain the difference between e-tail and e-commerce.

John Lewis

In 2008 John Lewis introduced its Click and Collect service. Customers can order items online and have it delivered to their nearest store for free.

By 2015, 6 million items were being ordered by John Lewis customers compared to 350,000 in the first year of operation. Unlike some stores such as Argos, John Lewis service this demand from a central distribution centre based in Milton Keynes and deliver items to its nationwide John Lewis and Waitrose stores. (Argos, on the other hand, service its online demand from its existing store stock).

In 2015, John Lewis announced that it was introducing a £2 collection fee for any orders with a value of less than £30.

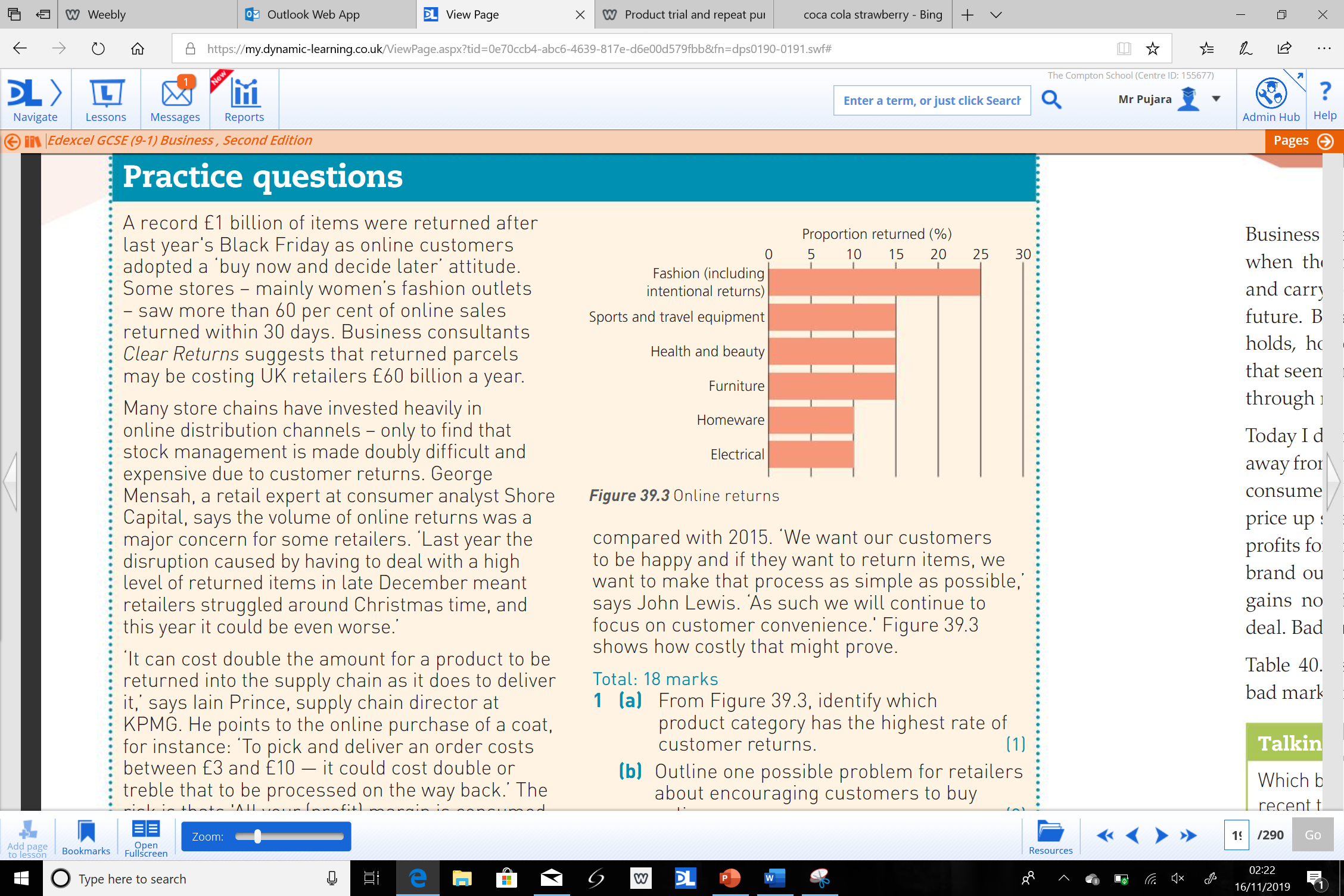
However, the policy might have negative implications too. Some customers will simply purchase products elsewhere or have items posted to their homes. The latter prevents any follow-on purchases once the customer is collecting from the store. House of Fraser has recently relocated its poorest performing departments next to the online collection points in order to boost sales.

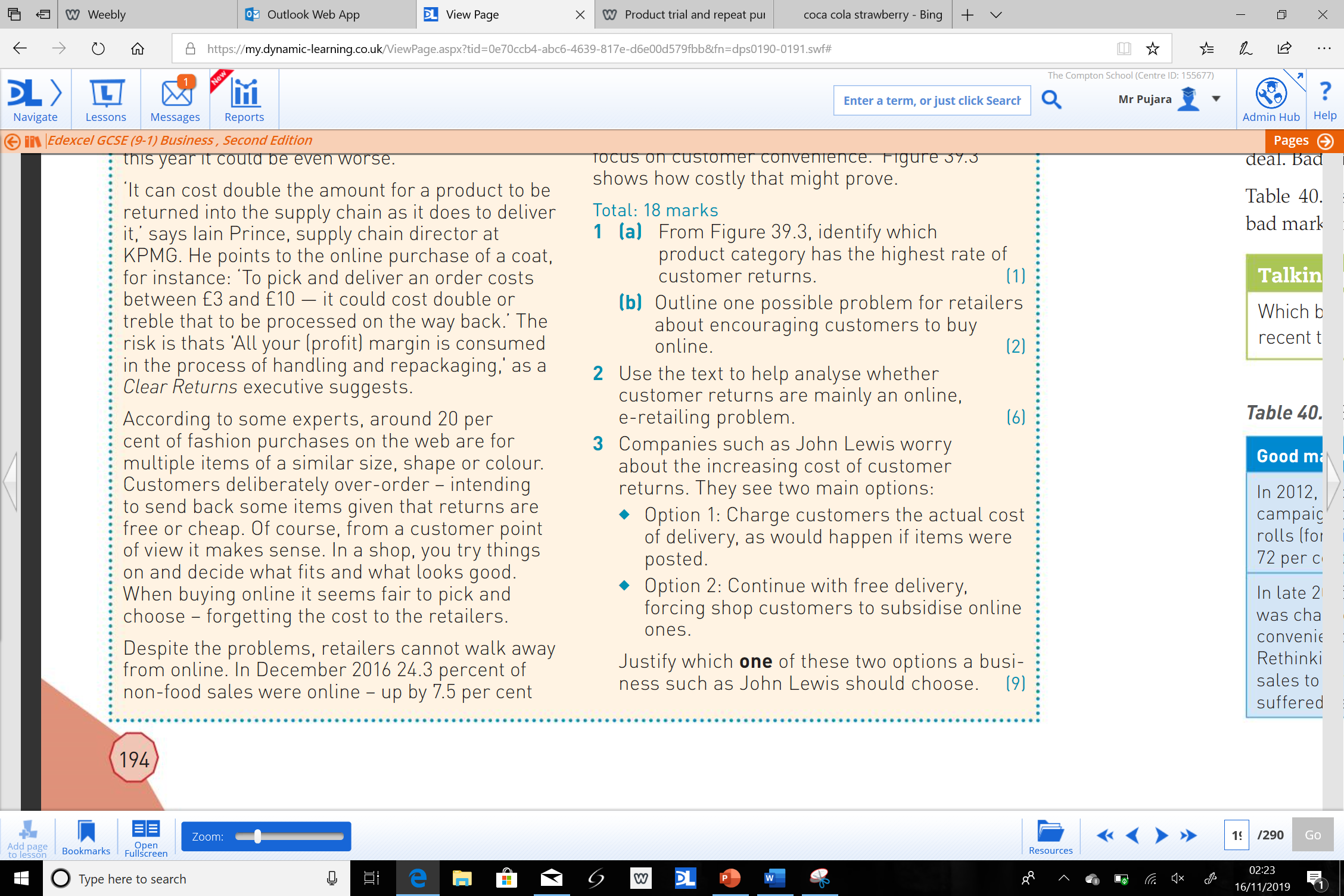
2. What are the three main methods of distribution? Briefly explain each one.

3. Why do you think John Lewis decided to charge its low-value order customers £2.00 for its Click and Collect service? (6 marks)

4. What are the advantages and disadvantages of the distribution method adopted by John Lewis compared to the online model adopted by Argos. (6 marks)

5. Calculate the percentage increase in Click and Collect orders in 2015 compared to in 2008?





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