

The eKernel



Enabling Business Expansion For Small Retailers

Industry

Online Retail

Business Challenge

Creating And Accessing New Customer Base Through Ecommerce.

Technology Solution

eKernel.co.uk

Solution Architect



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The Retail Business

Challenge: Creating New Markets

How often have you thought about opening that online shop, making your products or services available on the internet? Have you also asked yourself about the capital costs, the technical complexities, website maintenance, providing online customer service, etc? Well, someone genuinely understands your assessments after all. As an IT Solutions Company, we can tell you that ecommerce is not as straightforward as it is often portrayed, particularly for small retailers. Frankly, it comes with a lot of hassle. By hassle, we mean those overhead costs and logistics that are not always affordable to small-scale retailing. Even, larger retailers are known to e-stumble!

At the same time however, the ecommerce culture is becoming increasingly popular, especially on-line shopping. A culture in which spending figures for the first quarter in the UK alone was up by 123 per cent (over the same period in 2003). According to Visa, UK consumers spent £2.4bn online between January and March 2005. This fact should catch your attention.

In spite of the odds stacked against small retailers' ambition for ecommerce, the current trend of on-line shopping provides some food for thought. As a small retailer, you may need to rethink your stance or strategy about going online. To go on-line or not to go, that is the question?

The Answer:

We propose that retailers should go on-line. With confidence in your goods and services and the right tactic, you can succeed in ecommerce. However, the strategy you employ is critical. Your ecommerce strategy ought to be one that allows you to carry on doing what you do best. Let someone else handle all the 'electronics'. Put simply, you want to do something that is not too risky, and would not jeopardise your business.

This is what our "eKernel" solution is all about. It enables retailers to make their products and/or services available for sale on the internet and arrange for the proceeds to go into their bank account. All of these are achievable, without any financial or technical

input from you. All you have to do is ensure that the products or services are delivered to (y)our customers. As for retailers who by all means love to interact with the technicalities of ecommerce, they will be glad to know that eKernel is designed to accommodate varying levels of curiosity. Let us introduce you to this innovative solution that will revolutionise, not only your business, but also the world of small retailing. Read on.

The eKernel Solution

Have you ever seen a pop-kernel being transformed into 'puffies'? It takes little effort: typically a frying pan of olive oil, with some burning heat. Before you know it, the 'peaceful' seed is transformed into a vibrant contrast of itself. Think of your business as that kernel. With some imaginative electronics added to it, you get what we call - 'The eKernel'.

eKernel is an innovative ecommerce solution designed by PureKernel Systems Limited. It is developed ground-up to enable small retailers, and even bigger businesses to achieve online presence for their products and services. The eKernel allows you, as a retailer, to leverage core competences, and to access and satisfy a new customer base. Using eKernel, you can keep control of your current customers, and simultaneously capture a whole new market without any investment.

How Does It Work?

At the basic level eKernel is just a website. However, it is unlike any other website. It is a fully-fledged ecommerce website consisting of numerous yet uncluttered product categories. The product categories are designed to sell exquisite quality goods and services - including crafts, health foods, jewellery, organic honey, baby clothes, books, home décor, and so on. Each product category is assigned to a carefully selected retailer. In turn, retailers will receive all the professional support they require to list up to 30 items per category. In other words, every listed item shall come under a relevant pre-assigned product category. For instance, a retailer who has been assigned the "Mobile Phone" category shall be able to list 30

different mobile phone handsets under that category. They will not, for example, be able to list an item such as a shoe under the mobile phone category.

Each product item is represented in high-resolution graphics supported with an informative and impressive description of the item. Where a retailer is not equipped to produce high-resolution graphics for their products, an eKernel personnel shall visit the retailer to capture the required images.

The retailer then specifies the price of the product. Once the retailer is happy with our graphical and textual representation of his or her products, we proceed to make the products available for sale on the internet. We encourage retailers to keep their pricing as competitive as possible, of course, without compromising their profit margins.

We take it upon ourselves to advertise the eKernel website. Retailers may undertake additional advertisement to promote their product category if they wish. As shoppers come to purchase goods/services from eKernel, the website processes every transaction, and receives payment. Payments are received in real-time via our Barclays e-payment gateway and deposited into the company bank account of PureKernel Systems Limited. The retailer is notified in 3 possible ways about a completed transaction.

The retailer may be notified via a text message¹ (sent to a designated mobile phone number), or by e-mail (sent to a designated email address), or by placing a transaction record in the retailer's product category administration area², or through any combination of the 3 ways mentioned.

In response to our notification, the retailer is expected to send the product to the customer. Or in certain cases arrange for immediate delivery of the goods (as in the case of say, farm produce, fine dining foods, etc). Where necessary, we supply retailers with free postage eKernel branded packaging. From time to time, our staffs conduct after-sales customer

¹ Text message notification or email will typically contain name and address of buyer, good description, quantity, price, etc.

² Using an agreed username/password, each retailer is able to log into eKernel website administration area where they can see completed orders as they come in.

service on behalf of the retailer. This is in order to ensure that y(our) customers are happy and are receiving the best possible service. At the end of each month, PureKernel Systems Limited shall transfer sales revenue less an agreed percentage sales commission back to the retailer. The percentage sales commission varies according to each product category, retailer's business, etc. The commission rate ranges between 2.5% and 50%. Don't panic, the typical rate for most product categories are usually below 10%. We make every effort to ensure that your business is noticeably profitable through the eKernel. Therefore, we will work together with you to determine the most mutually profitable sales commission rate. The transfer of funds to the retailer is carried out on the last working day of each month, or can be done after every £100 worth of sale (which ever comes first, or as agreed with the retailer). Participation on eKernel can be terminated at anytime subject to 3 weeks notice on either side.

Retailer Value Proposition: The Benefits To You

The eKernel generates a lot more than popcorn for your business. Consider some of the benefits we anticipate from using eKernel:

- **Increased Customer Base:** Each product category attracts to the eKernel website its own customer who may in turn be interested in other products. Hence, each product category strengthens other categories and vice-versa. The implication of this for your business is that minimal marketing effort is required in order to make your product known on the internet.
- **Increased Revenue:** eKernel is complementary and non-intrusive to your existing business operations. This puts you, as a retailer, in the best position to capitalise on a new customer base and increase your sales revenue.
- **Increased Profitability:** With a good cost control on your part, increased revenue will naturally result in increased profitability.

- **New Product Launch:** The eKernel allows you to launch and test new products out on the market with little risk. By putting few samples of the product on eKernel, you may be able to assess whether or not to trade in a particular product.
- **International Market:** As your product becomes available on the internet, you are able to satisfy diverse customer base including the international market.
- **Rapid Business Expansion:** As you launch products on the eKernel and your customer base increases, your business grows.
- **Potential To Work From “Home”:** If your business succeeds exceedingly on “The eKernel”, it may be possible for you to give up your ‘offline’ shop (if you so wish). Using eKernel, you can run a lucrative business from the comfort of your home.

FAQ: Frequently Asked Questions

What conditions do I have to meet in order to own one of your product categories?

Allocation of each product category based on the discretion of PureKernel Systems Limited (the company who created The eKernel).

How much is the signing up fee to eKernel?

There is no fee to sign up to eKernel. Each individual application is assessed based on its merit.

Is there a minimum contract period after I join eKernel?

There is no minimum contract. In principle you can discontinue your participation immediately after joining. However, we appreciate if you give us 3 weeks notice in order to wind down your product category systematically. If we are to withdraw any product category, for our part, we shall first discuss it with you and we will give you several weeks’ notice in advance.

How much is the sales commission on eKernel?

eKernel commission rate varies according to product category, retailer’s business, etc. The range is between 2.5% and 50%.

How about offering services through the eKernel? May I specify a (product) category whose items are of a service nature?

This is usually possible, but we need to work with you to make it happen. Some services may not fit into the eKernel model.

Can I define my own product category?

Yes. However it must be unique and must not clash with an existing category on eKernel.

Learn more about this innovative solution

For general information about the ecommerce service described in this document, visit

www.eKernel.co.uk

www.pureKernel.co.uk



How To Engage

If you want to discuss and verify this solution will work for you, please visit www.eKernel.co.uk for our phone number or qualification form.

You may also contact us by email at info@ekernel.co.uk

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