

# International Online Market Entry Strategy for Veneo

Bc. Pavlína Bujoková

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Master's thesis  
2017

 Tomas Bata University in Zlín  
Faculty of Multimedia Communications

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Univerzita Tomáše Bati ve Zlíně  
Fakulta multimediálních komunikací  
Ústav marketingových komunikací  
akademický rok: 2016/2017

## ZADÁNÍ DIPLOMOVÉ PRÁCE

(PROJEKTU, UMĚLECKÉHO DÍLA, UMĚLECKÉHO VÝKONU)

Jméno a příjmení: **Bc. Pavlína Bujoková**  
Osobní číslo: **K15319**  
Studijní program: **N7202 Mediální a komunikační studia**  
Studijní obor: **Marketingové komunikace**  
Forma studia: **prezenční**

Téma práce: **Návrh online strategie firmy Veneo pro vstup na zahraniční trh**

Zásady pro vypracování:

1. Zpracujte literární zdroje práce a zformulujte teoretická východiska pro obsahové zpracování dané problematiky.
2. Shrňte nástroje marketingových komunikací a online marketingových komunikací.
3. Stanovte cíl práce, výzkumné otázky a metody práce.
4. Analyzujte vnitřní stav konkrétní firmy a zjistěte, jaký je aktuální product/market fit firmy v ČR.
5. Provedte dotazníkové šetření a realizujte rozhovory s reprezentativním vzorkem respondentů.
6. Zodpovězte výzkumné otázky.
7. Na základě teoretických poznatků a výsledků analýz navrhnete online strategii pro rozšíření konkrétní firmy na zahraniční trh.

Rozsah diplomové práce:

Rozsah příloh:

Forma zpracování diplomové práce: **tištěná**

Seznam odborné literatury:

1. Charlesworth, Alan. 2014. **Digital Marketing**. 2nd ed. Hoboken: Taylor and Francis Group.
2. Maurya, Ash. 2010. **Running Lean: A Systematic Process For Iterating Your Web Application From Plan A To A Plan That Works**. 1st ed. Sebastopol, CA: O'Reilly.
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5. Smith, P. R and Jonathan Taylor. 2004. **Marketing Communications: An Integrated Approach**. 4th ed. London: Kogan Page.

Vedoucí diplomové práce:

**PhDr. Tomáš Šula, PhD.**

Ústav marketingových komunikací


Datum zadání diplomové práce:

**31. ledna 2017**

Termín odevzdání diplomové práce:

**21. dubna 2017**

Ve Zlíně dne 3. dubna 2017

  
doc. MgA. Jana Janíková, ArtD.  
*děkanka*



  
doc. Ing. Mgr. Olga Jurášková, Ph.D.  
*ředitelka ústavu*

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## **ABSTRAKT**

Cílem práce je analyzovat pozici české společnosti Veneo a navrhnout vhodnou online strategii pro rozšíření e-shopu na zahraniční trh. V teoretické části je představen koncept Product/market fit, kdy středem problematiky je zákazník se svými potřebami. Součástí strategie je taktéž online marketingová komunikace, proto i její nástroje, s ohledem na globální působení, jsou v teoretické části popsány.

Pomocí kvantitativního dotazníkového šetření, vnitřní analýzy společnosti Veneo a klastrové analýzy je definován product/market fit firmy na českém trhu. Tímto je zodpovězena první výzkumná otázka. Dále, pomocí komparativní analýzy vybraných dimenzí konkurentů, polostrukturovaných rozhovorů a výsledků vnitřní analýzy je proveden rozbor vnějšího stavu, tedy konkurenčního prostředí společnosti. Těmito metodami je zodpovězena druhá výzkumná otázka a to, jaký je vhodný product/market fit na zahraničních trzích. Výsledkem práce je návrh mezinárodní online marketingové strategie a plán realizace projektu.

**Klíčová slova:** E-shop, E-komerce, online, komunikace, strategie, mezinárodní, marketing, product/market fit, Jobs-to-be done

## **ABSTRACT**

The aim of this thesis is to analyze position of an existing company Veneo and suggest an online strategy for setting up a global e-shop. A theoretical part of the thesis introduces a concept Product/market fit oriented towards customers and their needs. Part of the strategy is a digital marketing communications plan; therefore, the theoretical part also provides readers with various tools used in online marketing communications.

Based on results from the quantitative questionnaire, company's internal analysis, and the cluster analysis current product/market fit on a Czech market is defined. This answers to the first research question. Furthermore, an external environment is examined based on comparative analysis of competition, semi-structured questionnaire, and results from the internal analysis. By these methods, the second research question is answered by proposing what the product/market fit for foreign markets is. The result of the thesis is an online international draft strategy with proposed plan of implementation.

**Keywords:** E-shop, E-commerce, online, communications, strategy, international, marketing, product/market fit, Jobs-to-be done

## **ACKNOWLEDGEMENTS**

First of all, I would like to express my gratitude to my supervisor PhDr. Tomáš Šula, PhD. for his guidance and help with thesis from initial moments to final support. Second of all, I would like to thank doc. Mgr. Ing. Radim Bačuvčík, Ph.D. for his advice and perseverance with the cluster analysis, to Ing. Martina Juříková, Ph.D. for her professional opinion on constructed quantitative questionnaire, and to doc. PhDr. Dagmar Weberová, Ph.D. for her input on global marketing.

Furthermore, I would like to thank Jakub Krčmář who has provided me with his expertise on various topics but most importantly with his time and feedback.

Lastly, I want to thank my family and friends who have supported me and encouraged me during my studies.

I hereby declare that the print version of my Bachelor's/Master's thesis and the electronic version of my thesis deposited in the IS/STAG system are identical.

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## INTRODUCTION

Developing any kind of marketing strategy requires verified methods and frameworks so that company delivers what customers really want and, at the same time, organization can succeed among its competitors.

The first part of this thesis concentrates on broader aspects of modern marketing and is followed by several frameworks that give background information to online startup projects and to market entry strategies in general. Following parts explain the idea of integrated marketing, marketing mix, and marketing communications which is essential to understand when the online communications strategy is developed.

Theoretical concepts are followed by the analytical part where the Czech jewelry family business Veneo is analyzed. The aim of the analytical part is to evaluate company's position on existing domestic markets in order to find out what the company's product/market fit is and to propose what the product/market fit is for foreign markets.

To obtain information about existing product/market fit, Veneo is internally analyzed with respect to the marketing mix. Furthermore, existing customers, brand awareness, and attitudes towards the company are statistically evaluated in research "Existing E-commerce Customers". Results are further segmented to clusters that help company to set target audience for foreign markets.

Next research is focused on the comparison of selected foreign competitors that gives company the idea what the competitive environment is and what barriers might occur when entering foreign markets. The last part of the analysis is concentrated on international customers and their attitudes towards competitors' web presence. Analysis is concluded by answering research questions that summarize research key results.

The last part of the thesis, the project part, combines knowledge from the theory with results from the analysis and suggests online international go-to-market strategy for Veneo and the plan its of implementation. This strategy defines who the target audience is, what product should be presented to that audience, at what price (price policy), and in what way (channels and communications mix).

The project part also includes strategy time framework and detailed checklist that is deduced from the findings and suggestions. Project is concluded by the project evaluation by setting concrete objectives and key results.

## **I. THEORY**

## 1 MODERN CONCEPT OF MARKETING

*Modern marketing* mostly refers to the customer-oriented approach that evolved from the “production era” where companies were oriented towards mass production. It went through sales-driven understanding of marketing (making customers buy what companies produce) and resulted in a “marketing concept” (approach towards customers’ needs). (Johnson 2002, p.2-5)

Looking at other perspectives, Grönroos (2014), Pelsmacker, Geuens, and Bergh (2007) argue that having a customer-oriented approach in business activities is not a new concept and not modern. Even though it might not be perceived a modern concept, relationship marketing (which is, in a simplified way, customer-oriented marketing) becomes undoubtedly more vital than before, when developing sustainable marketing strategies, and therefore has to be taken into consideration by businesses when planning their strategies.

### 1.1 Relationship Marketing

Previously mentioned marketing concept was in a time shaped into a *relationship marketing* that concentrates on building and maintaining long-term relationship with customers and other stakeholders (entities involved in a concrete business, e.g. suppliers, employees, media, government, investors, competition, etc.), and stresses their satisfaction. (Johnson 2002, p.5) Relationship marketing is a way of thinking adopted by an organization that affects all marketing activities and drives internal and external processes of the company.

When it comes to the market segmentation in a relationship marketing environment, Grönroos (2014, p.20) claims that some customers do not want to be some statistical figures but they want to be and should be perceived as “individuals representing households or organizations.” He also proposes that if companies, with their market research, focus only on many anonymous consumers, shaped into small groups, results would show the average where the company stands among other competitors. Which is also important and helpful for conducting a business strategy, but the company should as well prioritize the evaluation of needs and expectations of existing and potential individuals. This is the core principle of relationship marketing.

Kotler, Armstrong, Saunders, and Wong (2005) suggest that customers, more than ever, have high expectations. As organizations are trying to satisfy their target groups, they are in most cases failing because “what is acceptable today may not be acceptable to tomorrow’s ever

more demanding consumers”. (Kotler et al. 2005, p.497) Subsequently, when desired is not obtained, customers turn to competitors or search for a substitute that would fulfill their needs. The question therefore arises, how to satisfy highly demanding customers. Finding a spot in a market where customers feel that the service is not delivered according to their expectations, and therefore causes dissatisfaction, might be one of the answers. (Kotler et al. 2005)

## 1.2 Human-centered Design

Human-centered Design (HCD) goes even further with empathizing functionality and usability of products by analyzing “physical and psychological needs of the human user.” (IDEO 2011) Products should be designed and delivered in a way that they fit users and not the other way around. To be able to achieve that, it is suggested that users participate in the validation process connected with the development of such systems.

“The HCD process begins by examining the needs, dreams, and behaviors of the people we want to affect with our solutions.” (IDEO 2011, p.6) This stage refers to the “Inspiration Phase” and “Ideation Phase” followed by the “Implementation Phase.” (“Design Kit” 2017)

Once the data about people is collected, and ideas are transformed into concrete concepts, the process of creating solutions and prototypes can take place. The interaction of users is required as they should be able to test prototypes before the implementation to the market, so it is clear what needs to be improved and enhanced. (IDEO 2011)

## 1.3 Jobs-to-be-done Theory

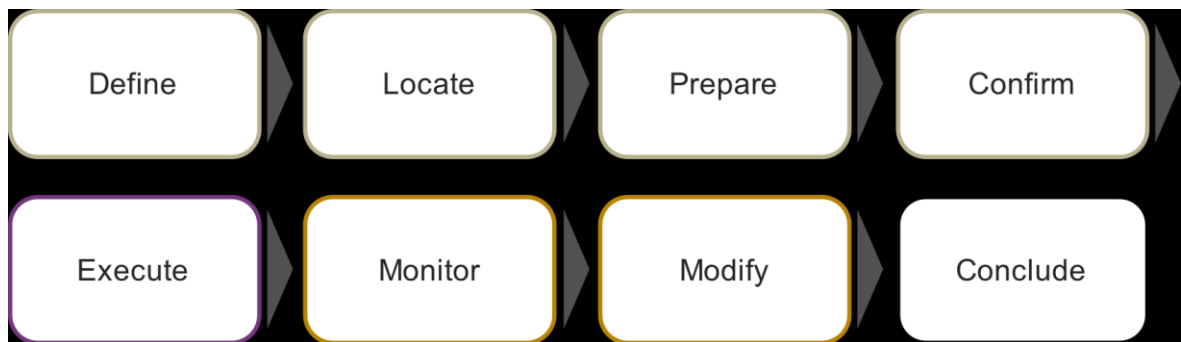
A significant breakthrough in the product design innovation appears with the Jobs Theory by Tony Ulwick. In this theory, “people ‘hire’ products to get a ‘job’ done”. (Ulwick and Osterwalder 2016, p.5). Main focus is shifting from products and users to the development of tasks/jobs customers solve on a daily basis. Products and services are understood as tools and intermediaries that lead to a solution of these problems.

Important is to ask a question, why would customers hire our products or ideas, not asking directly what customers want. As Wunker (2012) suggests, the answer would be according to what is already known from existing markets and not based on what is really needed. This analysis of the customer’s point of view and a transformation into a job specification is rather a complex process of observing and evaluating customer experience. (Kinni 2016)

Another question comes after when considering product and service innovation; “what do I need to design, develop, and deliver in my new product offering so that it does the consumer’s job well?” (Kinni 2016) A step that follows is the integration of the company’s abilities with the obtained data, resulting in a product formation. These steps are described in greater detail in a jobs-to-be-done framework that applies theory into practice.

### 1.3.1 Jobs-to-be-done Framework

Jobs-to-be-done framework implies that all jobs go through the same processes that are demonstrated on Picture 1. Customer-centered Job Maps (eight stage model) are carried out to examine “what the customer is trying to get done at different points in executing a job and what must happen at each juncture in order for the job to be carried out successfully.” (Bettencourt and Ulwick 2008)



Picture 1: “The Job Map™” (Source: <https://strategyn.com/customer-centered-innovation-map/>).

In the first phase, customers *define* objectives and resources that are needed for accomplishing the job. Customers in the second stage *locate* defined inputs (resources such as tangible and intangible items). In the *prepare* phase, customers think of the physical environment where the job is done and where the inputs are used. It is followed by the *confirmation* that customers, the environment, and the inputs are ready to perform the job.

Consequently, the job is *performed* and *monitored* as well as the environment and other inputs. With the *modification* stage, customers think of what should be improved, updated, or changed in order to *conclude* the job and successfully finish it.

In each phase, companies should think of how to make the step easy for the user to perform the job by providing sufficient amount of information, by guiding customers in a right

direction, and/or by simplifying processes for them. (Bettencourt and Ulwick 2008; "Jobs-To-Be-Done Framework" 2017)



## 2 PRODUCT/MARKET FIT

Designing and allocating product that satisfies customers' needs and solves their problems refers to defining company's product/market fit. This concept was originally intended for startup projects, but can be and should be implied by companies that are not successful with delivering their product, satisfying their target group, or they have a weak market position. (Maurya 2010)

Ellis (2017) suggests that product/market fit is rather an abstract concept therefore certain metrics for better understanding should be implied. He introduces a 40% rule. The idea of this metric is to evaluate what users think of a product. When more than 40% of users state that they would feel "very disappointed" if they stopped using the product, the company has a potential to expand on a market. When considering the fact that this metric was tested and applied on startups, there might be a problem with a sufficient customer base. As Ellis recommends, users should "represent a large enough target market", so that the product is interesting also for potential customers, and/or the founders "should engage existing and target users to learn how to make *their* product a 'must have'."

### 2.1 Build-Measure-Learn

A fundamental step towards finding a product/market fit is to apply Build-Measure-Learn principle. As Ries (2011) states, it is essential to "turn ideas into products, measure how customers respond, and then learn whether to pivot or persevere." This process does not refer to expensive, long testing of a product, but rather to a cost-effective and time framed procedures, so that results are evaluated quickly and validation decisions are made. In order to keep this process fast and low-cost, a Minimal Viable Product (MVP) should be created.

MVP refers to a testing prototype that does not necessarily include all product features but mainly represents core ideas and helps to get through the build-measure-learn validation circle. Mysliveček (2015, p.12) implies that MVP can be measured by user interviews, A/B testing, advertising campaigns and their statistics, and through a digital prototyping.

### 2.2 Lean Canvas

A method mapping product/market fit process is the Lean Canvas model by Ash Maurya (2010). He proposes to start with a segmentation of potential target customers and continue to fill out the Lean Canvas for each segment. Maurya (2010) and Mysliveček (2015)

recommend not creating complicated diagrams but rather to take 2 or 3 segments and define canvas for these groups.

There are several rules that are advised to be kept in mind when formulating Lean canvas draft. First of all, Lean Canvas is an organic document and therefore it is acceptable if some parts are left blank or filled out later. Compared to a business plan, initial Lean Canvas is sketched in “one sitting”, so it should not be complicated nor time demanding. Important is also to look at the current stage of a company and do things with accessible information, and thinking of what should be tested in order to be improved. (Maurya 2010, p.41)

Sections of Lean Canvas are described on Picture 2 and in the following part.

### **2.2.1 Problems & Customers**

Maurya (2010) suggests starting with describing top three problems (jobs, according to Jobs-to-be-done theory, mentioned in chapter 1.3) of existing customers. Another step is to specify an *early adopter* who is in a way a prototypical customer. But as Maurya (2010, p.43) points out, “define an early adopter - not a mainstream customer.” Hence the specification of early adopters needs to be unique and distinguishing.

### **2.2.2 Unique Value Proposition**

Unique Value Proposition (UVP) refers to the compelling “statement that describes the benefit of your offer, how you solve your customer’s needs and what distinguishes you from the competition. Your unique value proposition should appear prominently on your landing page and in every marketing campaign.” (“What Is a Unique Value Proposition (UVP)?” 2017) A good UVP answers what the product is, who the customers are, and why they need it.

Maurya (2010) provides a guideline to creating a Unique Value Proposition:

- a. Derive UVP from the top problem that needs to be solved (connected to the Jobs-to-be-done theory)
- b. Target early adopters not mainstream customers - not yet
- c. Focus on “finished story benefits” - expressing how lives of customers have changed after they benefited from the product
- d. Select keywords wisely

### 2.2.3 Solutions

In this section, solutions to top three problems are elaborated, starting with a draft of existing solutions. A second part of this process describes own solutions, as Maurya (2010, p.51) explains, “simply sketch out the top features or capabilities that you need to deliver on your Unique Value Proposition.”

### 2.2.4 Channels

Channels are understood as media, and all activities connected, that transfer goods, services, and information to final customers. First of all, these channels cover distribution channels that are usually subdivided into two main groups: direct selling (i.e. manufacturer to consumer) and indirect selling (i.e. manufacturer to intermediary to consumer). Second of all, these channels represent communication media that transmit information to the audience, such as print media (newspapers, magazines, etc.), electronic media (broadcast media, digital media, social media, etc.), and so on. (Blunt 2017; "Základní Terminologie Marketingu" 2017)

Some of the communication channels are outlined or described in detail in the following chapters as tools and elements of marketing communications and online marketing communications.

### 2.2.5 Revenue Streams & Cost Structure

Revenue streams portray predicted revenues and suggested pricing lists of a product. Cost structure stands contrary to revenues and it contains estimated costs. (Mysliveček 2010, p.17) Compared to business plan and the company's income statement, this part of the Lean Canvas is a simple financial prediction that does not provide precise data.

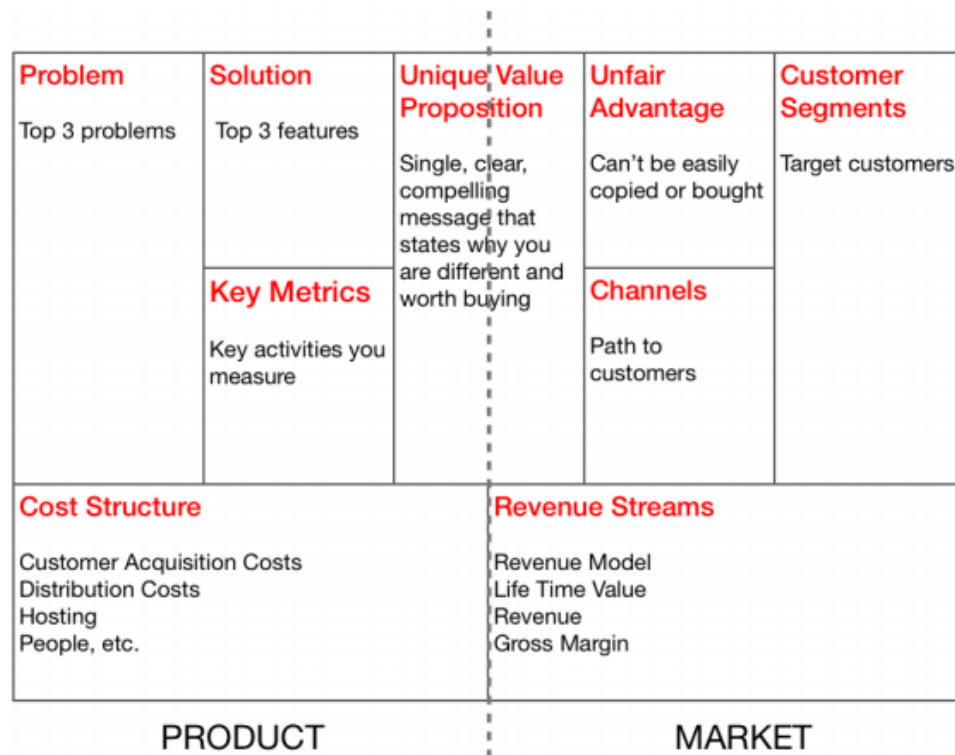
### 2.2.6 Key Metrics

At this stage, relevant metrics are set in order to calculate usage of a product or service. This topic will be covered in the chapter 8. “Measuring Online Performance”.

### 2.2.7 Unfair Advantage

Defining unfair advantage is the most challenging part of the Lean Canvas. Therefore, it is sometimes recommended to leave this segment blank in the initial form of a draft, rather

than filling in vague information. Unfair Advantage is a form of a competitive advantage but cannot be easily copied by other competitors. (Maurya 2010)



Picture 2: "Lean Canvas" (Source: Maurya, 2010, p.17).

### 3 INTEGRATED MARKETING

“Good marketing is integrated marketing.” (Pelsmacker, Geuens, and Bergh 2007, p.3) In order to deliver coherent strategic plan for a specific brand where a customer is prioritized, it is necessary to be aware of different kinds of marketing tools and communications tools, and be able to use them in a consistent way. Furthermore, it is important to follow company objectives and know how to implement them in marketing activities. This process refers to the concept of integrated marketing that is briefly described in this chapter. (Percy 2008)

#### 3.1 Marketing Mix

Marketing mix is a set of controllable tools that help defining market opportunities ("The Marketing Mix and The 4 Ps" 2017) Pelsmacker, et al. (2007) are pointing out two essential principles that should be followed when a company starts “designing and implementing marketing mix, i.e. consistency and synergy.”

##### 3.1.1 Consistency of 4Ps

To develop a consistent marketing mix, all elements should go hand in hand with the company objectives. (Pelsmacker, et al. 2007) *Product* (goods and services organization offers to the market), *price* (at what price is a product sold and what the price represents), *place* (where the company sells and how the goods and services are delivered to the consumers), and *promotion* (how product, price, place, and the company itself is communicated to the stakeholders) are closely interrelated (consistent). However, the integration of marketing mix is rather a complicated process and companies often fail to deliver their product to the target group, and their strategy contrasts company’s position on the market.

For instance, a company that produces luxurious cars with an exclusive design and other unique features; company’s objective is to be associated with "something desired" that represents high standards. These cars will be sold at premium price in a few luxury car showrooms. Communications mix would be personalized and distinctive since a target audience represents a very specific group of customers. As obvious, company will not be trying to target families with children, since this target group has contrasting expectations. Also, these cars will not be presented in media as cheap, economical, or family cars.

All parts of the marketing mix should be going in the same direction, the direction of the business objectives. That refers to consistency.

### **3.1.2 Synergy of 4Ps**

“Marketing mix instruments have to be designed in such a way that the effects of the tools are mutually reinforcing.” (Pelsmacker, et al. 2007, p.4) This definition refers to the second principle of effective marketing, to a principle of synergy. It means that all components should support each other, so that in the end they result in a strong marketing strategy with a consistent message.

## 4 MARKETING COMMUNICATIONS

Marketing communications is the fourth part of the marketing mix and it is a set of tools used by organizations to communicate with their target audience and other stakeholders. Businesses create a marketing communications mix mainly in order to raise awareness of the company, and/or to promote their products and services. In other words, companies are using communicational instruments to build brand awareness and strengthen audience engagement. Marketing communications also deals with meeting customer expectations, how and at what terms to communicate product on a market, what distribution channels to choose, and how to inform customers about them.

Selection of such tools depends, *inter alia*, on two factors; on the type of the business and on the budget company operates with. Some of the communication activities might be high-priced but more effective and suitable for well-known companies or for organizations operating with larger campaign budgets. Contrary, smaller businesses will be implementing inexpensive forms of communication and finding a sufficient way of self-promotion.

Integrated marketing communications (IMC) is a term commonly used when speaking about marketing communications. Kotler et al. (2005, p.725) defines this term as “the concept under which a company carefully integrates and coordinates its many communications channels to deliver a clear, consistent, and compelling message about the organization and its products.”

### 4.1 Elements of Marketing Communications

As previously noted, marketing communications is a set of tools. Some of them are evolving and changing, as Smith and Taylor (2004, p.4) claim, with the progresses of the 21st century and with new opportunities, and innovative ways of thinking. Even though communication instruments are changing, there is a traditional division which include: advertising, promotions, publicity/public relations, direct marketing communications, personal selling, e-communications, etc. (Pelsmacker et al. 2007; Smith and Taylor 2004)

#### 4.1.1 Advertising

Advertising is a type of non-personal communication using mass media (newspapers, TV, billboards, radio, etc.) to transfer paid messages about the company, product, service, or an idea to the large audience. (Pelsmacker et al. 2007, p.5) The aim of the advertising-like

messages is to “build brand awareness and positive brand attitudes” contrary to the promotion-like messages. (Percy 2008, p.103)

#### **4.1.2 Promotion**

Promotion is, in the modern marketing, understood as incentives used to support and stimulate short-term sales and purchases. (Percy 2008, p.103) Based on company’s target group and objectives, there are two basic types of promotion that can be differentiated; consumer promotion and trade promotion. Consumer-oriented promotion aims directly at users of products and services by using large scale of incentives such as coupons, rebates, sampling, premiums, contests, and so on.

Trade-oriented promotion, on the other hand, targets toward “marketing intermediaries such as wholesalers, distributors, and retailers” (Belch 2003, p.22) in order to encourage these agents to promote company’s products and to increase distribution of the company’s goods.

From the traditional perspective, term *sales promotion* is often applied and it usually refers only to the consumer-oriented promotion but various sources use different terminology referring to the same concept. (Percy 2008) Therefore it is useful to use general term *promotion* with the further subdivision.

#### **4.1.3 Public Relations**

Publicity and Public relations refer to building and maintaining positive relationships and communication with the company’s stakeholders. (Smith and Taylor 2004, p.444) One of the goals of public relations is to raise positive or neutral public awareness and eliminate negative information about the company. (Zikmund 2010)

#### **4.1.4 Direct Marketing**

Direct marketing communications is a form of advertising, usually cheaper than traditional advertising, employing direct communication channels (such as catalogues, mailings, telephone) and eliminating business intermediaries. The main goal is to get immediate response from existing customers or potential clients but also to build credibility and loyalty among consumers.

Important part of the direct marketing communications is a database with clients’ personal data that are kept by the company and used to maintain long-term relationships. (Pelsmacker et al. 2007, p.383-384)



#### 4.1.5 Personal Selling

Personal selling is viewed as a face-to-face presentation of a company, its products/services or any other kind of information; company wants to share and transmits to the target audience (to individuals or to the group of people). (Fill 2005, p.761) In a modern understanding of marketing, personal selling has been adopted and shifted from “transaction-based methods to relationship-based methods”. (Pelsmacker et al. 2007, p.464) In other words, the aim is not to sell, at first place, but to build and maintain long-term relationships with existing and potential customers.

#### 4.1.6 E-communications

E-communications refer to electronic communications and to interactive means of communication. According to the *Electronic Communications Privacy Act of 1986* enacted by the United States Congress “*electronic communication* means any transfer of signs, signals, writing, images, sounds, data, or intelligence of any nature transmitted in whole or in part by a wire, radio, electromagnetic, photoelectronic or photooptical system that affects interstate or foreign commerce”. In a simplified way, e-communications represent transmission of any kind of information using digital devices.

## 5 ONLINE MARKETING COMMUNICATIONS

Previously mentioned electronic communications can be further subdivided into online marketing communications. “Online marketing refers to a set of powerful tools and methodologies used for promoting products and services through the Internet.” (“What Is Online Marketing?” 2017) Since the good marketing is the integrated marketing, online marketing also requires the use of other communications tools so that effective and consistent message is delivered to the customer.

Online marketing has many positive features compared to some traditional communication media. For instance, online marketing has far-reaching impact but is still controllable and measurable. It is also a cost-effective way of communication, since the reach is broad and costs are low. Significant difference and a great benefit is that it is possible to keep information always up-to-date.

There are as well many negative aspects of online communications. Since everything is changing rapidly, it is difficult and demanding to stay up-to-date and keep on track among other competitors. Online messages also require support of certain technical equipment (devices, Wi-Fi, etc.). Being online can either be a competitive advantage or a competitive disadvantage, depending on how the online strategy is planned and thought through.

### 5.1 Online Marketing Tools

Companies are going online in order to establish and increase their Web presence. Charlesworth (2014, p.74) implies that Web presence refers to “the development of any aspect of the web that represents the product, brand or organization.” Web presence can be established and increased through various online tools that will be described in this chapter. (Beckert 2017)

#### 5.1.1 Websites

There are numerous types of websites and they are usually divided according to the website content. That is closely related to goals organizations or individuals want to achieve through their websites. Some of the examples are: personal websites, blogging websites, informational websites, community building websites, catalog websites, e-commerce websites, and so on. (“Types of Websites” 2017)

According to Charlesworth (2014, p.78) when developing any kind of website, it is essential to answer following questions:

- What is the aim of the website?
- Who is the target audience or an early adopter?
- What needs/problems/jobs are going to be solved when visiting the website?

It is also important to decide how the content is going to look like (visually and textually) and who will be responsible for it.

Websites have a significant advantage - the opportunity to segment appearance for different target groups. Members or existing customers can for example have access to some discounts, premium products, etc. Investors and suppliers can, on the other hand, see internal data, and so on. This feature helps organizations deliver message directly to their target audience.

Another positive aspect is the possibility of connecting websites with other applications and software, for example with accounting systems, CRM software, etc. These tools in general support internal processes of the company.

### **5.1.2 Online PR**

Online public relations follow the same objectives as traditional public relations that is, building and maintaining relationships with the target audience. Traditional PR relates to traditional media, such as: TV, radio, magazines, and newspapers. Online public relations also benefit from traditional media but more significantly communicate online content, and thus influence, broader spectrum of stakeholders (i.e. social media users, bloggers, websites, brand sites, web searchers, and so on). ("What Is Online PR?" 2013)

### **5.1.3 Online Direct Marketing**

Online direct marketing, likewise traditional direct marketing, uses certain media (Internet, in case of online direct marketing) to communicate directly to customers with the aim of getting immediate response. In online direct marketing, contrary to traditional direct marketing, it is possible to track responses within a short period of time and with low costs.

Cleanthous (2007) implies that traditional marketing is mostly about branding while direct marketing is about results and generating profit. Even though there is a straight link between online campaigns, returns on the advertising spend, and the response tracked from single

campaigns in the online direct marketing, profit should not be the only reason for going online.

- **Email Marketing**

Email marketing is the effective way of gathering information about customers with the aim of building and extending customer base. Moreover, maintaining relationships with existing and potential customers.

Email is a tool that delivers information in a form of newsletters or promotional offers directly to the target audience. Compared to social media marketing, email might seem as an obsolete instrument, but quite the contrary. As Chris (2017a) states, “email is still the most efficient way to convert visitors or readers into customers”. Email marketing, when used effectively, can generate high return on investment (ROI) and audience impressions. These are most significant benefits of email marketing. Furthermore, email marketing campaigns are easily measured, highly targeted and personalized.

When integrating emailing campaigns with other communication channels, content, tone of communication, and a visual form of presentation need to be consistent, so that the audience gets a clear message about the brand.

#### **5.1.4 Online Promotion**

Online consumer-oriented and trade-oriented promotion tools and are used to build and maintain personal relationships with existing customers, targeting new customers, exchanging information about a product, and additionally creating new channels of communication. ("Types of Internet Advertising" 2017)

Krutiš (2007) includes the following tools as tools supporting mentioned objectives: affiliate marketing, contests, loyalty programs, coupons, samples, discounts, demo versions/free trials, comparison shopping websites (Heuréka, Zbozi.cz, Google shopping, yaoota.com, shopping.com), and so on.

## 6 E-COMMERCE

E-commerce (electronic commerce) is a virtual marketplace where information, goods, and services are offered and exchanged on the Internet. E-commerce has many advantages for buyers as well as for sellers however, it carries with it certain downsides. (Rouse 2016; "Advantages of Ecommerce, Disadvantages of Ecommerce, Ecommerce Business Review" 2010)

- **Advantages:**

- Compared to physical shops, online shopping activities are available 24/7.
- Easy and fast way of finding/selling goods.
- Large amount of goods at “one place” (benefit for buyers).
- Initial investment and operating costs are low compared to physical retail outlet.
- Possibility to sell and shop from everywhere the Internet is available.
- Personalized and targeted. The advantage for both, customers and sellers (buying/selling on domestic online market vs. global online market).

- **Disadvantages:**

- Limited customer service (not possible to touch/try unless some free trials or demo versions are offered to the customer).
- Delivery of a product/service is not immediate (there are of course exceptions such as software, applications, etc.).
- Business is based on trust between customers/sellers, sellers/suppliers, etc. (companies must make more efforts to build credibility).

### 6.1 Basic Forms of E-commerce

Based on who is engaged in the exchange, e-commerce has four basic forms: B2B (Business-to-Business), B2C (Business-to-Consumer), C2C (Consumer-to-Consumer), and C2B (Consumer-to-Business). Furthermore, there are also other e-commerce types that include government (G2G, B2G) or employees (G2E).

- Business-to-Business e-commerce includes all electronic transactions performed between companies. That includes manufacturers, wholesalers, suppliers, distributors, retailers, and being more specific, shipping and delivery companies.

- Business-to-Consumer e-commerce integrates, as the name suggests, online businesses and final customers in purchases. Businesses offer their products usually in forms of online catalogues or e-shops.
- Consumer-to-Consumer or Peer-to-Peer (P2P) e-commerce engages customers or small businesses on various selling platforms, auction portals, and forums who sell their products to other customers or businesses. Known examples are eBay, Etsy, DaWanda, etc.
- Consumer-to-Business e-commerce represents situations when individuals make their products or services available to companies. For instance, these individuals offer photographs, images, and/or other media. ("Types of E-Commerce" 2014; "Ecommerce Definition & Types of Ecommerce" 2011)

## 6.2 Search Engine Marketing

Search Engine Marketing (SEM or just *search marketing*) is the essential part of the Internet Marketing and includes complex tactics used for increasing visibility of the promoted content to people who search on the Internet. (Moran and Hunt 2014)

According to Moran and Hunt (2004, p.10) this search process usually starts “when a searcher enters a *keyword* into a *search engine*, such as Google or Bing, and sees *search engine results page* (SERP) that contains a series of *search results*.”

Search marketing, based on Chris (2017a), contains two crucial activities, i.e. Search Engine Optimization (SEO) and Paid Search Advertising (PSA).

### 6.2.1 Search Engine Optimization

As previously mentioned, online presence has many benefits for start-up projects, small businesses, as well for large companies. For that reason, there is a strong competition among online sellers on the Internet. Therefore, companies have to *optimize* their websites and contents in a way that they will appear in search engines on visible, desirably on top, positions.

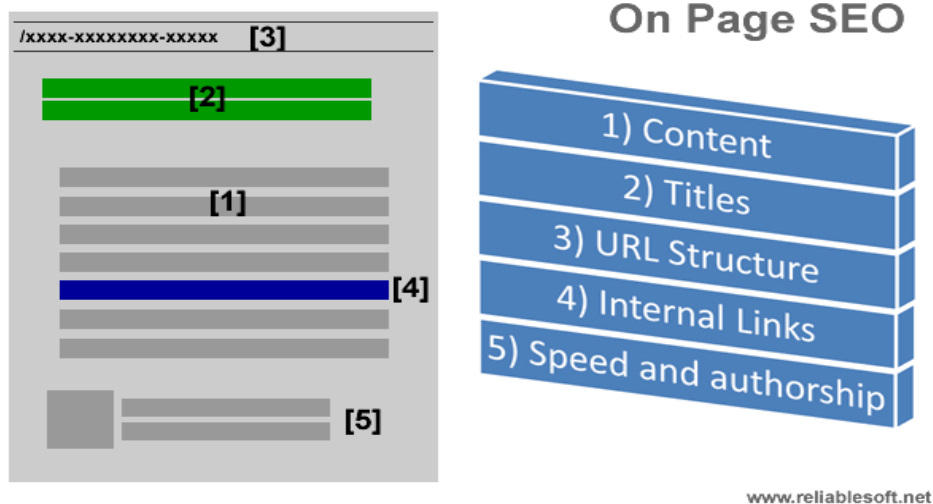
Search engines (SE) work on complicated algorithms that calculate website features and match them with searched terms. These algorithms differ search engine to search engine but in general, they are not public. There are though some unpaid methods how to optimize a website in order to be recognized and understood by the search engine. These tips refer to the quality of website, in other words to *organic search*, and include for example, unique

and relevant content, keywords in code of the page, geographic location, title of the page, popularity among customers, and so on. ("Search Engine Basics" 2017)

As Charlesworth (2014, p.203) quotes, SEO “is based on two distinct categories: those that are concerned with the website itself, and those that are outside the parameters of the site.” He refers to on-page/on-site optimization and to off-page/off-site optimization.

- **On-page SEO**

Some of the on-page factors have been already mentioned in previous paragraphs. Chris (2017c) gives a list of 5 on-page SEO techniques used for improving website rankings, as demonstrated on Picture 3.



Picture 3: “On Page SEO” (Source: Charles, 2017c, available at: <https://www.reliablesoft.net>)

Operating with the content is the first on-page SEO technique. All texts (articles, comments, and product descriptions), pictures, videos, etc. are at first place directed to users. Therefore, it is recommended to create original and engaging texts with relevant keywords so that it is clear what the website is about. The content also requires having a planned publishing strategy answering *what*, *when*, and *why* questions.

Page titles and the page description help users, but mainly search engines, to understand what the page is about. This is also connected to the text formatting. Text should be

understandable and therefore visibly segmented (bold, italics, underline, font differentiation, font size, etc.).

Another on-page SEO technique is the URL structure. It is suggested to use static URL structure that does not change and preferably includes keywords separated with hyphens, such as in the following example: *http://www.veneo.cz/filozofie-o-nas-veneo.html*. This format is more user-friendly and generates higher click-through rates in web pages, SERPs, and so on. (Fishkin 2008)

Another feature that influences search results is the presence of internal links. Internal links are according to the article *Internal Links - SEO Best Practices* (2016) hyperlinks “that go from one page on a domain to a different page on the same domain.” They are helping with the information hierarchy and the navigation on a website; additionally, they can increase the engagement of visitors. (Chris 2017c)

As it was previously noted, to optimize a website, it is always important to stress searcher’s needs but also to take into consideration that online trends are changing rapidly. Some of the features, that should be enhanced when creating websites in order to “get closer” to users, have been described in this chapter, but there are many others. As Chris (2017c) states two more should be highlighted, that is speed and mobile-friendliness of websites.

- **Off-page SEO**

Off-page search engine optimization refers to activities and links that are raising website rankings and lead visitors and searchers to the website “through promotional means, outside of the actual code or design of the site itself.” (Ratcliff 2014)

The main optimizing off-page tool is a link building. Link building refers to creating inbound links/backlinks that lead visitors of other pages to the website. There are many ways of link building, for instance presence on social media, content on blogs and forums, partnership with other websites, microsites, PR articles, and so on. (“Budování Zpětných Odkazů – Linkbuilding” 2017).

There are some relevant factors that matter when building references to the company’s website. First of all, backlinks should come from quality, credible and respected websites. Additionally, from thematically similar and contextual websites. (“Jaké Faktory Ovlivňují SEO” 2017) Second of all, it is suggested to use the same keywords in the referential texts, as well as on the website.



What also matters is the number of backlinks. The more backlinks refer to the website, the better ranking in search engine results page (SERP) company has. ("Off-Page Factory (SEO)" 2017) But as Agrawal (2016) and Říhová (2011) imply, the quality is more important than the number of inbound links. They recommend having a few good quality links rather than many irrelevant bad quality or vague links.

Likewise, a term link baiting is connected to the quality of links. Link baiting refers to creating a content that is organically and willingly shared by other content producers (e.g. websites, bloggers, authorities, opinion leaders, and so on). According to Rouse (2012), the content should be compelling and include "hooks" that catch reader's attention.

These hooks can be in forms of infographics, striking images, and videos, breaking news, useful and educational materials, e-books, quizzes, games, and contests, useful widgets and gadgets, and so on. (Vella 2015) Furthermore, another way of getting better results in search engines is content itself (humorous, controversial, etc.) and the formulation of titles. Titles of articles should again be attractive enough to catch the attention and motivate people to share the link.

In general, off-page optimization and on-page optimization go hand in hand. First, the website should be "internally" optimized in order to create a stable background that is later referred to. And once the website is optimized, it is necessary to link the website to other communication media so that the awareness of the brand is raised. (Nathan 2008)

### **6.2.2 Paid Advertising**

Paid advertising can be divided into Paid Search Advertising (search ads) and Display Advertising (display ads). According to the article *Types of Internet Advertising* (2017) "display advertising is the use of web banners or banner ads placed on a third-party website or blog to drive traffic to a corporate website and increase product awareness."

Paid search advertising, on the other hand, refers to the use of search engines as a medium to place ads on the web in order to promote products and/or raise brand awareness. (Thomas 2015) Terms *paid search*, *search engine advertising*, and *cost per click (CPC)* are often used as synonyms for *pay-per-click advertising (PPC)* that will be described in the following chapter. (Moran and Hunt 2014, p.470)

When it comes to the way ads are delivered to the target audience, Charlesworth (2014, p.225) mentions three basic types of online targeted advertising. The first type is based on

the context of the website content (*contextual advertising*). The second form is based on previous actions on the Internet (*behavioral targeting*). And the last one uses the IP recognition and provides location-relevant ads to visitors (*geotargeting*).

- **PPC Marketing**

As previously mentioned, pay-per-click is a synonym to paid search, search engine advertising, and cost per click advertising. The principle of PPC marketing is that advertisers do not pay for the ad placement but they are charged only when the ad is clicked on. ("Nástroje Online A Offline Marketingu" 2013)

According to Moran and Hunt (2014, p.470) PPC refers to “the technique by which a search engine devotes advertising space on its search results page to display links to the advertiser’s website based on the quality of the ad and the bid for each click.”

Types of PPC ads differ in a format, layout, and ad placement. There is a traditional *SE text ad* that contains of only text and a link to the *landing page* (page to which visitors are redirected after clicking on a link). These ads appear, as the name suggests, in SERPs above or below the organic listings. The position depends on the quality of the ad, the cost advertiser is willing to pay per one click, and on the competition’s bid. ("Pay-Per-Click Marketing 101" 2012) Commonly used search engines providing ad placements are Google (Google AdWords), Bing (Bing Ads), and in the Czech Republic Seznam (Sklik).

Other types of PPC ads are for instance *product listing ads*, *banner ads*, and *social media ads*. Product listing ads (or just *product ads*) refer to products that are listed on comparison shopping websites (such as Google Shopping, Zbozi.cz, Heureka.cz, etc.), and they appear on the top of the SERP. These products include product image, product price, as well as the link to the e-shop. Advertisers first, have to provide price comparison websites with the XML feed that contains data about the product from the e-shop (name, description, price, measurements, shipping costs, etc.). Subsequently, comparison shopping websites add these information to their database with the data from other vendors. Advertisers usually pay only per clicked visitors. (Mikulášková 2017; Puffler 2015; "Produktové Srovnávače, Feedy A Xmlka" 2017)

### 6.3 Social Media Advertising

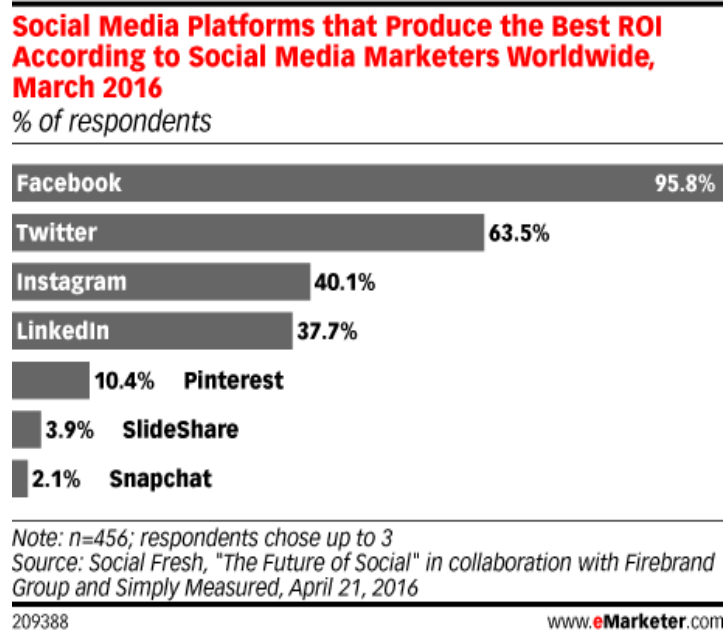
Social media marketing is the essential and cost-effective tool in online marketing. It has many possibilities for individuals as well as for businesses and start-ups. Social media advertising is a paid form of ads on social media (such as Facebook, Twitter, Instagram, LinkedIn, Pinterest, Youtube, Google plus, etc.) and a form of online advertising.

Promoting on social media brings a number of benefits for companies, for instance easy interaction with the audience, accessible targeting of the audience, the use of built-in tracking performance tools, and so on.

#### 6.3.1 Facebook Advertising

From all social media platforms, Facebook has, according to the Social Media Marketers Worldwide research (Picture 4), the highest return on investment.

Advertising on other social media is similar to the Facebook advertisement (coordinated steps, formats, evaluation, etc.), but the use of each medium has a slightly different purpose. For example, LinkedIn is more suitable for B2B businesses whereas Pinterest is clearly visually oriented. (Beese 2015) Because Facebook is a powerful tool for B2C companies and it has a high potential for businesses, it will be covered in a greater detail in following chapters.



Picture 4: "Social Media Marketers Worldwide Research" (Source: <https://www.emarketer.com>).

- **Objectives**

Promoting on Facebook starts with choosing the marketing objective. There are three main categories and each of them is subdivided into more detailed actions. The first one is the *awareness* (brand awareness, local awareness, and the reach). The second objective refers to *consideration* (traffic, engagement, lead generation, etc.), and the last one stands for *conversion* (product catalogue sales, conversion, and store visits).

- **Facebook Targeting**

Based on the selected objective, the audience, placement of the ad, budget and schedule of the campaign are set as the next step. When it comes to the targeting, there are several ways how to target the audience. That contains targeting according to demographic parameters (such as age, gender, education, etc.), geographical segmentation (location), behavioral patterns (purchase behavior including retargeting of the web visitors who did not purchase anything, purchase intentions, device usage, etc.), and the targeting based on interests (skills, activities, self-reported interests, and so on). It is also possible to set the campaign for the *custom audience*, by uploading e-mail addresses, phone numbers, user IDs, and other information about the web visitors, or to the *lookalike audience* by reaching new users, like the custom audience. (Ganguly 2015; Newberry 2016)

- **Budget and Schedule**

There are many possibilities how to adjust a campaign budget. That includes for instance, the option of daily or lifetime budget, optimization of the ad delivery (based on the set objective), bid amount (automatic or manual), ad scheduling (specific hours or day), and a delivery type (standard or accelerated).

The optimization of the ad delivery and the advertising costs are based on the Facebook marketing objectives. It means that advertisers first set the campaign objective and subsequently, the ad delivery and the payment method are automatically suggested to the them. In general, there are four payment options divided into two groups: being charged for impressions (CPM: cost per mille) or for post engagement or certain activity (CPC: cost-per-click, CPA: cost-per-action, CPL: cost-per-like). ("Facebook Advertising Costs" 2017)

- **Advertising Formats**

Facebook offers certain ad formats: carousel (up to 10 photos with text and links to the website or to the product), single image or a single video, slideshow (looping video from up to 10 photos), and canvas (full-screen, a combination of photos, videos, and call to action buttons). (Newberry 2016) There are two options where the ad can be placed, that is the desktop and mobile News Feeds or right-hand column (side banners).

### 6.3.2 Twitter Advertising

- **Ad Types**

There are three main Twitter Ad types: Promoted Accounts, Promoted Tweets, and Promoted Trends.

- **Promoted Accounts:** With Promoted Accounts companies increase the visibility of their brand by appearing in the “Who to follow” sidebar. Besides raising brand awareness, Promoted Accounts help companies to create a community of followers who are interested in a specific subject or who are likely to become potential customers.

- **Promoted Tweets:** Promoted Tweets are like regular Tweets but they reach more people since they are paid. They help businesses to engage users and call them to action. The cost of the ad is per engagement which can be represented by a comment, retweet, like, click, and so on. This type of ad is suitable especially when companies promote special offers, discounts, sales or news but also to raise brand awareness. Promoted Tweets appear to existing followers as well as in search results. The downside of Promoted Tweet is that it appears only once at the top of the timeline and then scrolls down as other Tweets.

- **Promoted Trends:** Promoted Trends are time, event, and context sensitive trends promoted by advertising partners on Twitter. They are tailored for each user based on the location and on whom the users follow. Promoted Trends appear at the top of the Trending Topics list and they are marked as “Promoted”. Sometimes they also appear at users’ timelines. Regular Trending topics are the most discussed subjects on Twitter and they appear under the “Who to follow” section. With the trending hashtag, it is possible to get to the trending topics list organically.

- **Campaign Objectives**

Twitter Ads can be also divided based on campaign objectives. These are the basic forms of campaigns:

- **Tweet engagements campaigns:** the aim is to engage users and call them to action by promoting company's Tweets.
- **Follower campaigns:** the goal is to get new followers and broaden existing customer base by promoting company's Twitter account. These campaigns are paid per follower gained.
- **Awareness campaigns:** as the name suggests, the objective of this campaign is to raise brand awareness via promoting Tweets to general public. Companies pay per impressions (Cost per mille).
- **Website clicks or conversions:** This type of the campaign is useful especially for e-shops because they can see desired action on a website through promoted Tweet. The cost of the ad is per click.
- **Video views campaigns:** Businesses promote their videos and pay per video view.
- **App installs or re-engagement campaigns:** Twitter supports the installation of applications via promoted Tweets. The cost of this ad is driven by a single app installation. ("Twitter for Business | Twitter Tips, Tools, And Best Practices" 2017)

### 6.3.3 Instagram Advertising

Instagram and Pinterest work both as visual channels. Business Instagram is connected to Facebook therefore ad formats, targeting, budget and schedule work on the same basis as Facebook ads.

- **Objectives:** “website clicks, website conversions, mobile app installs, mobile app engagement, video views, reach and frequency, page post engagement, mass awareness, and local awareness” (Newberry 2016)

### 6.3.4 Pinterest Advertising

Pinterest has own Ads Manager that gives an overview and statistical data about ads performance. Pinterest has a tool called Promoted Pins that works on the similar principle as promoted Tweets on Twitter or promoted posts on Facebook, that is, inter alia, on a CPC bidding system. Pinterest has a strict policy of what can be a promoted pin and what not. For

example, simple promoted pins cannot include price information, only rich pins can. Rich pins are pins that contain information directly on a Pin.

Rich Pins can be App Pins (with the install button), Product Pins (with real-time pricing and shop information), Recipe Pins, and Article Pins.

- **Objectives:** awareness campaigns, encourage campaigns, and traffic campaigns
- **Targeting:** interest targeting (building brand awareness), keyword targeting (increasing in-store sales, driving online action, boosting traffic), audience targeting (targeting existing fans or a lookalike audience, or targeting based on demographic features, device usage, etc.). ("Pinterest For Business" 2017)

## 6.4 Product Microsite

“A Microsite is a website, distinct and separate from an organization’s main site, that delivers more focused, relevant content about a specific topic or to a targeted audience or even just requiring a defined action.” ("All About Microsites" 2017)

Microsites are one of the marketing tools that can be used to enhance online presence of the company, to inform website visitors about a product, service, upcoming event, etc. and/or to raise visitor’s interest.

If a microsite is designed in a proper way which means, with a focused topic and quality information, with creative design and interactive features, it has many advantages for businesses. (Staff 2014) Because of the focused message it is possible to narrow and tailor company’s market segmentation for selected period. Microsites also generate higher conversion rates.

The article *All About Microsites* (2017) summarizes most of the benefits: “Because it can be a focus, testable communication vehicle that can generate leads, engagements, trial, demos, sales, and referrals, it can help organizations achieve their stated, measurable marketing and sales objectives.”

## 6.5 Online Customer Service

Quality customer service is one of the key assumptions of the successful e-commerce. Since the competition on the online platform is high, customer care plays a significant role among the competition and can represent a strong competitive advantage. Customers can buy

similar products for approximately same prices so the support of the customer service might be the only criterion when customers make purchase decisions.

Hendricks (2015) and Schiff (2016) offer certain tips for improving customer service;

- Feedback from customers - even though it might be a negative feedback, it is always important to know what customers think.
- Clarity of information - providing all information about shop policies (payment and shipping methods), return and refund policies, warranties and guarantees.
- Site search - the website should be fully search functional so customers do not leave the website because they could not find what they have been searching for.
- Meaningful follow-up activity - offering customers discounts, special offers, and good deals immediately after the purchase is more efficient than sending late promotions or 'thank you' e-mails right after the purchase.
- Free shipping - offering free shipping makes a better brand impression.

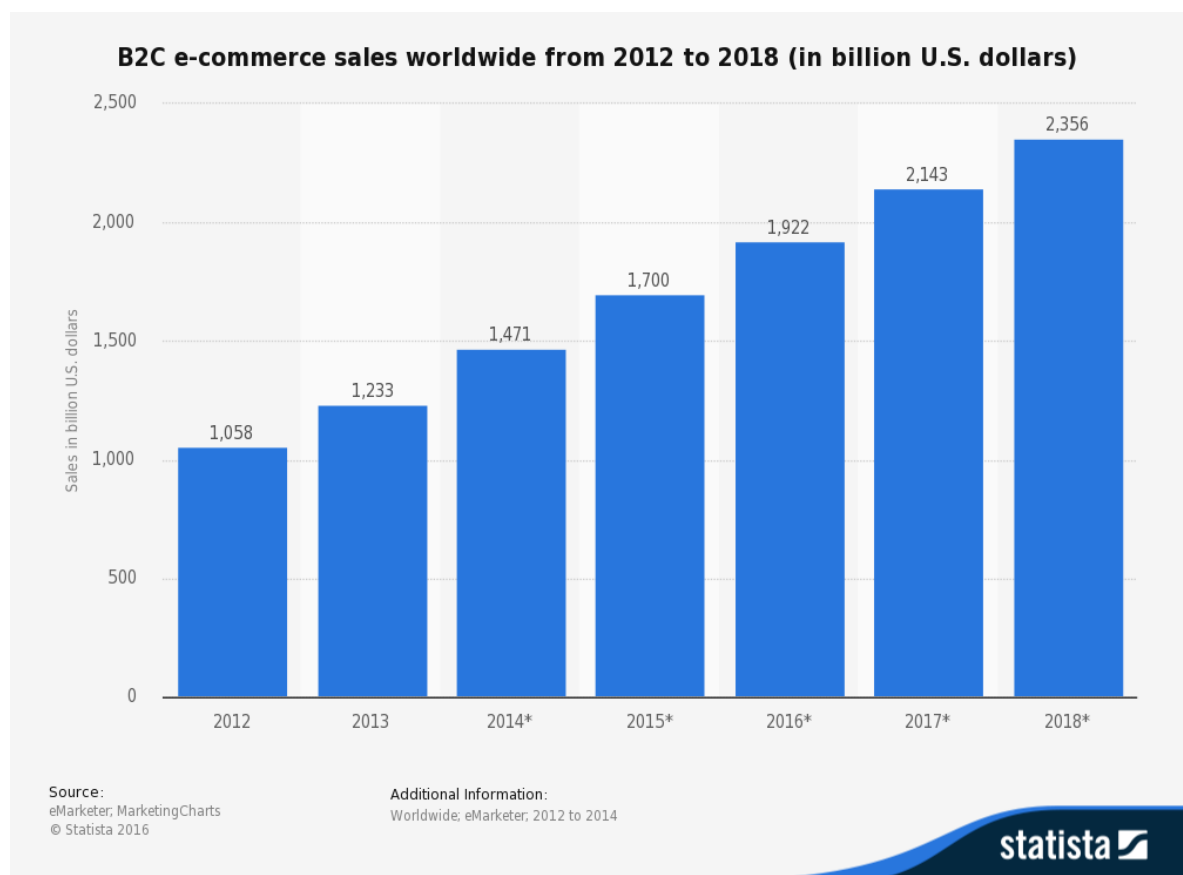
In general, customers are more demanding and expect proactive communication from sellers. Therefore, *multiple customer care channels* must be included as a part of the customer service. Customers should have the option to choose from various ways of communication (e.g. e-mail, contact form, live chat, phone support, social media, help desk with FAQ, etc.). (Ammon 2015; Schreiber 2015)



## 7 GLOBAL B2C E-COMMERCE

There are various reasons why companies decide to go global and enter foreign markets. Companies for instance want to be accessible to more customers, they want to broaden their customer base and extend their market share, or a domestic target market is already saturated. In general, new markets promise new opportunities and new challenges in both, online and offline environment.

According to recent statistics on eMarketer (2016), global retail e-commerce is expanding each year and the predictions for the following years are as well promising (estimated sales are up to 27 trillion U.S. dollars in 2020). When it comes to B2C e-commerce sales, the following statistic forecasts economic growth in 2018, expected to reach 2.36 trillion U.S. dollars. There is a high potential for companies to expand globally, as Martin (2017a) suggests “there has never been a better time to start thinking about your Ecommerce strategy”.



Picture 5: “B2C E-commerce Sales Worldwide from 2012 to 2018”

(Source: <https://www.statista.com>)

Before taking a closer look at global e-commerce strategies, it is essential to understand basics of the online decision-making process.

## **7.1 Online Purchase Behavior**

Online purchase behavior, based on Katawetawaraks and Wang (2011), is similar to the traditional offline decision-making process. The main difference though is in the market environment and in the marketing communication. Traditionally, customer buying process starts with a problem/need recognition, and is followed by the information search process, evaluation of alternatives, purchase decision, and the post-purchase behavior. (Johnston 2016)

In online environment, customers either know exactly what to purchase or online advertisements attract their attention and they start the pre-purchase phase. This is important for marketers to provide quality ads that will lead potential customers directly to their websites. In the information search process and the alternatives evaluation process, various communications channels are used, i.e. online catalogues, websites, search engines, comparison shopping websites, etc. Customer's aim is to find product/service that fits the best expectations he/she has. Since the competition in the online environment is high and the Internet allows customers to search rapidly for alternatives, marketers should provide customers with clear, sufficient, and quality information. (Katawetawaraks and Wang 2011, p.66-72)

Another important factor in the customer decision-making process is a web design. Website should have an organized and understandable structure that is fast and accessible to customers in real time. In the purchase stage, customers are expecting websites to have clear product organization, supportive customer service, and again supply of sufficient information (shop policies etc.). This applies as well to the post-purchase behavior, when websites should have straightforward information on exchange and return policies.

### **7.1.1 Global Entry Strategies and Global Barriers**

There are many factors in the cross-border B2C e-commerce that should be taken into consideration when building international strategies. Otherwise, they will cause problems when entering new, foreign markets.

As it was previously noted, clarity and reliability of information must be met in all levels of communication that is also in all phases of customer online decision-making process. The format of information is connected to the language used in cross-border communication.

Language is the fundamental element of each website. Martin (2017a) implies that companies with successful global strategies have to show and prove that they really understand foreign cultures and foreign customers. That starts with crossing language barriers. Websites should be optimized regionally, that means provide various language translations and arrange different currencies. Shop policies may stay the same for all markets but the delivery policies (taxes, duties, and other fees) should be tailored for each cross-border area. It is also closely connected to the time delivery and the tracking visibility. Customers should be able to see beforehand how long it takes to receive ordered product, and after the purchase, be able to have control over the consignment (track and trace systems).

Once the company decides to go international, it is essential to understand that customers might expect to communicate back in the language website translates into. It simply indicates that the customer service and the post-purchase communication should be in the same language. This might be a barrier to some small business that only translate their website and underestimate all factors that influence customers to come back and purchase again.

Another relevant feature that can cause problems to global retailers is the culture itself. When creating international strategies, companies should first determine what markets they want to enter, and based on what criteria they segment these markets: language (English speaking markets, Germanic, Hispanic, etc.), geography (European countries, USA, Germany, Asia, etc.), shared values, accessibility, logistics, and so on. When these markets are determined, it is vital to spot and evaluate their specific characteristic, i.e. local laws and regulations, payment preferences, logistic opportunities, culture references, customs, and so on. (Griffith 2013)

Based on mentioned factors, it is possible to create online global strategy that emphasizes cultural differences, in terms of customer preferences, and stresses the importance of communication in pre-purchase, purchase, and post-purchase processes.

## 7.2 Markets with Growth Potential

Even though “many traditional consumer businesses and new start-ups alike are moving away from models that are shop-centric or geographically-focused, to ones that are customer-centric and virtually borderless” (KPMG International 2017, p.4), it is essential to constantly evaluate global economic market situation in order to make the most of its potential. As the KPMG International study (2017, p.4) implies, “consumers in Asia, North America and Western Europe are most likely to shop online, while per capita online purchases in Eastern Europe and Russia, Latin America, and the Middle East and Africa are less frequent”.

On the other hand, according to the Global Retail E-Commerce Index™ (2015), which examines 30 countries and their e-commerce development and potential, in 2015 and 2016 there have been three leading countries in the online B2C marketplace; that was China, the United States, and the United Kingdom. These positions are remaining the same but as the following figure shows (Picture 6), besides these three leaders, there is a great potential in smaller markets such as Mexico, Venezuela, Saudi Arabia, etc. These figures, inter alia, help businesses in a decision-making process when entering new, foreign markets.

## The 2015 Global Retail E-Commerce Index™

Rank	Change in rank	Country	Online market size (40%)	Consumer behavior (20%)	Growth potential (20%)	Infra-structure (20%)	Online market attractiveness score
1	+2	United States	100.0	83.2	22.0	91.5	79.3
2	-1	China	100.0	59.4	86.1	43.6	77.8
3	+1	United Kingdom	87.9	98.6	11.3	86.4	74.4
4	-2	Japan	77.6	87.8	10.1	97.7	70.1
5	+1	Germany	63.9	92.6	29.5	83.1	66.6
6	+1	France	51.9	89.5	21.0	82.1	59.3
7	-2	South Korea	44.9	98.4	11.3	95.0	58.9
8	+5	Russia	29.6	66.4	51.8	66.2	48.7
9	+15	Belgium	8.3	82.0	48.3	81.1	45.6
10	-1	Australia	11.9	80.8	28.6	84.8	43.6
11	-1	Canada	10.6	81.4	23.6	88.9	43.1
12	+2	Hong Kong	2.3	93.6	13.0	100.0	42.2
13	+6	Netherlands	8.9	98.8	8.1	84.6	41.8
14	-3	Singapore	1.3	89.4	15.7	100.0	41.5
15	+13	Denmark	8.1	100.0	15.1	75.5	41.4
16	0	Sweden	8.8	97.2	11.8	77.7	40.9
17	Not ranked	Mexico	10.0	53.3	58.6	68.0	40.0
18	Not ranked	Spain	13.2	73.1	20.2	80.1	39.9
19	+1	Chile	2.7	71.8	49.3	73.2	39.9
20	+6	Norway	8.2	99.4	5.6	76.3	39.5
21	-13	Brazil	19.6	57.4	28.0	72.4	39.4
22	-7	Italy	12.3	71.6	27.8	70.7	38.9
23	+6	Switzerland	7.1	89.6	7.4	82.5	38.8
24	-1	Venezuela	1.7	54.1	79.4	55.7	38.5
25	-4	Finland	6.4	98.3	3.8	77.3	38.4
26	-8	New Zealand	1.7	86.4	25.9	75.4	38.2
27	Not ranked	Austria	5.9	85.3	19.0	74.8	38.1
28	Not ranked	Saudi Arabia	1.1	46.6	67.3	74.6	38.1
29	-17	Argentina	5.7	70.3	43.9	64.3	38.0
30	-3	Ireland	4.9	74.4	27.6	74.1	37.2

Notes: Scores are rounded. 100 is the highest and 0 is the lowest for each dimension.

Sources: Euromonitor, International Telecommunication Union, Planet Retail, World Bank, World Economic Forum, United Nations Department of Economic and Social Affairs; A.T. Kearney analysis

Picture 6: “The 2015 Global Retail E-commerce Index” (Source: <https://www.atkearney.com>)

## 8 MEASURING ONLINE PERFORMANCE

There are numerous metrics and indicators that help companies to track and evaluate performance of their online campaigns and in general, evaluate their online presence. Some of the key metrics have been already mentioned throughout previous chapters. The key process company should track is the *acquisition*. That refers to gaining desirable targets such as new app user, new website visitor, new customer, new email subscriber, etc.

*Customer acquisition cost* (CAC) is sometimes used as *Cost per acquisition* (CPA) which often refers to cost per action. When calculating CAC or CPA, the amount of money spent on acquiring customers (marketing costs) is divided by the number of (new) customers acquired in certain period when money was spent. (Hughes 2017)

Furthermore, companies can measure *traffic* of their channels which is also connected to acquisition. It is important to observe:

- type of channel (through what source and medium is certain action delivered),
- number of visits, sessions, number of new users,
- bounce rate (indicates the percentage of visitors who have left web immediately, it can also show % of visitors who did not continue to another site and left the web),
- number of pages viewed,
- average session duration, etc.

Another important performance indicators are *Conversion Rate* and *Interaction*. Conversion rate is understood as a percentage of visitors who have already performed desired action. Desired actions can represent sales of a product, purchase orders, newsletter subscriptions, transactions, click-through rate, and so on.

*Click-through rate* (CTR) helps to evaluate successful delivery of an ad, campaign, or an email. In other words, CTR indicates what the performance of the ad, campaign, or email is. CTR is understood as a ratio of people who see the link/ad/email to people who click on it. CTR is calculated as the number of clicks divided by the number of impressions (how many users see the ad/email/link). Results must be expressed in %, therefore the number is multiplied by 100. CTR is in general connected to the interaction. Interaction can be measured on each ad as well as separately on each channel (social media interaction, etc.). ("Bounce Rate | SEO-Expert.Cz" 2017; Nielsen 2013; Sharma 2017)

Key indicators often used by companies are *Return on Investment (ROI)* and *Return on Advertising Spending (ROAS)*. Return on investment is expressed in percentage and indicates increase or decrease in value of investments in a given period. ROI is calculated as a net profit or loss (profit minus investments) divided by total investment.

Return on advertising spending helps companies measure efficacy of ad campaigns because it helps to indicate what channels are “expensive” and contrary, cost-effective. ROAS is a ratio of Gross Revenue from Ad Campaign to Cost of Ad Campaign. The results are for example ratio 6:1 which indicates that each dollar spent on advertising campaign generates 6 dollar worth of revenue. (DeMers 2014; Grimsley 2017; Measuring the effectiveness of online advertising 2010, p.20; Miner 2015; "What Is ROAS? Calculating Return on Ad Spend" 2016)

## 8.1 Objectives & Key Results

Objectives and Key Results (OKR) is a simple method of setting company’s objectives and subsequent tracking of these objectives. First of all, OKRs are shared with all stakeholders and second of all, they are easy for implementation and understanding.

The process starts with defining 3 to 5 objectives that should be qualitative, time bound, ambitious/inspirational, and easily executed by an individual or a group. As Wodtke (2014) implies, objectives like raising sales numbers up 30% or double the number of users are poor objectives because they already refer to key results.

Each objective should be followed by 3 to 4 measurable key results. Key results should represent achievable, quantifiable metrics that lead to the tracking of objectives. These metrics can be based on revenue, growth, engagement, performance or quality, and they are usually numerical. Objectives are “considered done when 70-75% of its results have been achieved. If 100% of objectives results get done, it's not considered ambitious enough”. ("OKR: Objectives and Key Results" 2017)

## 8.2 HEART Framework

When it comes to the product, it is difficult to measure user experience (UX), i.e. “aspects of how a user experiences a product – from how they feel emotionally about the interactions to how they judge the value, utility, and ease of use of the product experience” (Lernell

2017). Therefore, more user-centered metrics have to be applied in order to successfully develop, position, and deliver product to the customer.

Rodden, Hutchinson and Fu (2010) from Google research group came with a user-centered metrics framework that measures user experience quality and provides companies with “actionable data”. Metric categories are the following:

- **Happiness** - by these metrics companies evaluate attitudes towards product which refers to product satisfaction, perceived effort of product use, and/or the net promoter score (customer’s willingness to recommend product to others)
- **Engagement** - these metrics represent the level of user involvement in certain time frame (e.g. number of visits, shares, uploads, etc.)
- **Adoption** - adoption refers to conversion such as new subscriptions, purchases by new visitors, and so on
- **Retention** - retention symbolizes the number/rate at which existing customers are returning back, that includes repeat purchases, the number of active users, etc.
- **Task success** - these metrics evaluate efficiency (time needed to complete a task), effectiveness (the percentage of completed task), and an error rate.

HEART framework is bounded to company’s goals which are followed by signals. These signals demonstrate whether set objectives are being followed or not. The next picture concludes all, objectives, signals, and metrics expressed in the HEART framework. (Digital Telepathy 2017)



# HEART FRAMEWORK

	Goal	Signals	Metrics
<b>Happiness</b>	For users to feel like the site is unique	A satisfaction rating from a survey	<ul style="list-style-type: none"> <li>•Satisfaction</li> <li>•Perceived ease of use</li> <li>•Net promoter score</li> </ul>
<b>Engagement</b>	For users to keep discovering more content	The amount of time people spend viewing from analytics	<ul style="list-style-type: none"> <li>•Number of videos watched per user per week</li> <li>•Number of uploads</li> <li>•Number of shares</li> </ul>
<b>Adoption</b>	For users to use the site or app	The number of signups per day from analytics	<ul style="list-style-type: none"> <li>•Upgrades to latest version</li> <li>•New subscriptions</li> <li>•Purchases by new users</li> </ul>
<b>Retention</b>	For users to continue to use the site or app	The number of return customers from customer data	<ul style="list-style-type: none"> <li>•Number of active users</li> <li>•Renewal rate</li> <li>•Repeat purchases</li> </ul>
<b>Task Success</b>	For users to accomplish their goal	The number of successful completes from a study	<ul style="list-style-type: none"> <li>•Search result success</li> <li>•Time to upload</li> <li>•Profile creation completion</li> </ul>

Prepared by:

**VINTAGE**

Vintage is an award-winning web agency  
that creates websites worthy of our clients' business  
[www.vintage.agency](http://www.vintage.agency)

Picture 7: “Heart Framework” (Source: [http://vintage.agency/blog/content/images/2016/07/HEART-Framework-infographics\\_v2.png](http://vintage.agency/blog/content/images/2016/07/HEART-Framework-infographics_v2.png))

## 9 METHODOLOGY

### 9.1 Research Objectives

The aim of this thesis is to analyze current product/market fit of the company Veneo by evaluating its position on a Czech online marketplace and by analyzing the attitude of existing customers. Further research objective is to evaluate a foreign online marketplace in order to be able to propose an online go-to-market strategy for foreign markets.

### 9.2 Research Questions

To fulfill research objectives, the following two research questions have been stated:

Q1: What is a current product/market fit of the company on a Czech market?

Q2: What is the best product/market fit for selected foreign markets?

### 9.3 Research Design Formulation

In order to answer research questions, besides the comparative analysis of the competition, the internal analysis of the company Veneo, and the evaluation of the web analytics, a quantitative questionnaire will be carried out and the qualitative semi-structured interview will be conducted.

#### 9.3.1 Primary and Secondary Data

The practical part of this thesis combines both primary and secondary data. Secondary data represent data that have been already gathered and evaluated, and they are available to most of the public. Secondary data are for instance, annual reports, income statements, case studies, etc.

Primary research refers to obtained data directly by the researcher through interviews, surveys, focus groups, and/or by direct observations. Primary data can be either quantitative or qualitative. (Boykin 2017; *A Quarterly Publication of The Institute for Work & Health* 2015, p.2)

Quantitative research focuses mainly on quantifying data and generalizing results from a sample that is represented by a large number of respondents. Quantitative research has a structured form and results represent statistical data.

The aim of the qualitative research is to understand reasons and motivations of a small sample of respondents and “to provide insights into the setting of a problem, generating ideas and/or hypotheses for later quantitative research”, and for further decision making. ("Qualitative Vs Quantitative Research, Snap Surveys" 2017) Qualitative research takes a form of semi-structured or unstructured techniques such as group discussions or individual depth interviews to evaluate respondents' opinions, attitudes, and preferences to a given subject.

### 9.3.2 A Quantitative Questionnaire

A quantitative questionnaire will be constructed in order to receive statistical information about existing Czech customers (who they are, why they have purchased the product, what preferences they have, etc.), and their attitudes towards the brand. The questionnaire will be conducted in Czech.

Because the qualitative research with open-ended questions will be taken, the questionnaire will mainly include close-ended questions, such as:

- Dichotomous or two-point questions (e.g. Y/N, Satisfied/Unsatisfied, Male/Female)
- Scaled questions with rating scales (i.e. semantic differential scales, three-point scales, five-point scales, seven-point scales)
- Multiple choice questions and Matrix questions (e.g. age questions, A, B, C or D, strongly satisfied, somewhat satisfied, neutral, somewhat dissatisfied, strongly dissatisfied, N/A). (Sincero 2012)

In order to determine what the purchase behavior of an existing customer is, typology according to SHOPPER TYPOLOGY & MEDIA BEHAVIOUR 2003 by INCOMA Research and GfK Praha will be used in the questionnaire. (Vysekalová 2011, p.243-245; Zamazalová 2009, p.114-116)

Respondents will be existing customers who have previously purchased from Czech e-shop *veno.cz*. The questionnaire will be carried out online and the respondents will be asked to answer through email via Google Forms. Initial number of collected responses is 360 but certain answers will not be included in the evaluation, such as:

- If a respondent answer to first question that he/she has never purchased product/s from Veneo and never heard of the brand

- If a respondent answer to the first question that he/she has heard of the brand Veneo but never purchased anything
- If a respondent clearly does not understand the question and gives contradictory answers (e.g. Question: How are you satisfied with a brand? Answer: 5 - not at all. Question: What would you change? Answer: Nothing, everything is perfect.)
- If a respondent answers more than 2 times to the questionnaire (only one answer will be kept for evaluation)

The final number of collected responses is 350. Results will be attached at the end of the thesis.

### **9.3.3 Cluster Analysis**

Answers from the quantitative questionnaire will be manually transferred into numbers that will be analyzed in Microsoft Excel. The cluster analysis will be processed in SPSS PAWS Statistics that finds similarities and generates clusters based on selected factors. Chosen factors will be: age, gender, loyalty of customers (i.e. one purchase vs. repetitive purchase), purpose of the purchase (to whom did respondents buy Veneo jewelry), and the frequency of online shopping.

Subsequently, contingency tables will be generated in Microsoft Excel, described in a text and in full attached at the end of the thesis.

### **9.3.4 Qualitative Semi-Structured Interviews**

With semi-structured interviews the opinion of international respondents will be evaluated. Respondents will be asked to express their preferences and attitudes about competition's websites.

Interviews will be held with 5 international respondents. Results will be in English and used in a text.

### **9.3.5 Online Performance**

As a source of information about company's online performance, the following tool will be used:

- Google Analytics (web analytics: tracking and reporting website traffic)

### 9.3.6 Comparative Analysis of the Competition

Online jewelry marketplace will be evaluated mainly based on observations and the evaluation of strengths (to see what trends and improvements to follow) and weaknesses (in order to avoid mistakes) of competitors. Direct competitors will be specified and subsequently analyzed from 5 different dimensions:

- **Product portfolio**
  - Product lines - width (number of different product lines offered)
  - Accessories (additional services, engraving, gift box, etc.)
  - Customized production (yes/no)
- **Distribution channels**
  - E-shop
  - Social media
  - Other channels, such as Etsy, DaWanda, Shopify, etc.
  - Shipping methods
- **Communications**
  - Key messages
  - Tone of voice and style
  - Content
  - Frequency
  - Communications channels
- **Product price**
  - Price in CZK (shipping fees included) for:
    - Gold
    - Silver
    - Cubic zirconia and synthetic stones
    - Natural stones (diamonds, opals)
    - Discounts, sales, rebates, jewelry sets - (yes/no)

Silver and gold category will also show a price range of sold items complemented by three representative products (ring, earring, and a pendant), in order to be able to set own pricing policy.

- **User experience**
  - Clarity and Communication (clear arrangement, practical insight, shop policies, shipping policies, etc.)

- Usability (easy to use vs. complicated purchase process)
- Credibility (reviews, articles, about section, etc.)
- Quality (handmade - yes/no)

## **II. ANALYSIS**

## 10 INTERNAL ANALYSIS: COMPANY VENEO

Veneo is a small family owned business located in Prostějov, the Czech Republic. It focuses on the handmade silver and gold gemstone and artificially-made stone jewelry manufacturing. Veneo designs their own jewelry and makes tailored custom orders. The company sells to the final customer (B2C marketing model). One of the short-term objectives is to enter a foreign market with launching own international e-shop.

Based on Krčmář (2013, p. 48) the company's mission is to satisfy customers' needs and desires, and bring them happiness with the luxurious, high quality jewelry that lasts. Veneo's vision is to be able to offer original jewelry for customers from all over the world. And to be able to control all processes in the company: from the very beginning (making drafts, 3D modeling, manufacturing, etc.) to the post-purchase communication.

### 10.1 History

Veneo is a brand established in a year 2010 by Lubomír Krčmář. Although, the company itself has a richer history. In a year 1991 Lubomír Krčmář establishes his firm and works as a watchmaker. Between years 1993 and 1995 the jewelry production is added to his business and products are sold to end customers (B2C) as well as to wholesalers (B2B marketing concept).

The company is successfully profiting and opens 2 other subsidiaries with 17 employees in total. During the economic crisis (between years 1997 and 1998) and with the significant economic recession, the company closes two mentioned subsidiaries.

From the year 2006, a sharp drop in demand on a jewelry market occurs. New competitors from other countries (massive jewelry import from Asia) enter the Czech market. Wholesalers go bankrupt, the trend of the e-commerce is expanding, and the purchasing behavior is changing accordingly to the new trends. These were some of the factors that forced the company to make significant changes.

In 2010, the firm leaves the B2B concept and fully concentrates on the B2C segment. A new corporate identity of the brand Veneo is created and an e-shop veneo.cz is launched. From 2010 to 2013 the e-shop grows organically (customer references, customer satisfaction, basic search tools) and brings stable return to the company therefore, the e-shop becomes a main channel of the business. (Krčmář 2013, p.42-43)



From 2013 Veneo starts investing more in the development of the new e-shop by supporting technical development, marketing activities, and the customer service with the aim of making stable conditions for the Czech customers and slowly enter the foreign markets.

## 10.2 Product

Veneo offers jewelry on the Czech and Slovak market (e-shop, Flér.cz) and on foreign markets only via Etsy.com and Dawanda.com.

Veneo's product line consists of the following product groups:

- Women rings
  - with lab-made stone, natural gemstone, without stone
  - silver, white gold, yellow gold, and rose gold
- Women earrings
  - with lab-made stone, natural gemstone, without stone
  - silver, white gold, yellow gold, and rose gold
- Necklaces
  - with lab-made stone, natural gemstone, without stone
  - silver, white gold, yellow gold, and rose gold
- Pendants
  - with lab-made stone, natural gemstone, without stone
  - silver, white gold, yellow gold, and rose gold
- Bracelets
  - with lab-made stone, natural gemstone, without stone
  - silver, white gold, yellow gold, and rose gold
- Jewelry sets
- Children and baby earrings
- Wedding bands
- Engagement rings
- Men rings
- Cuff links
- Tie clips

Besides mentioned goods, Veneo provides additional services to customers. Silver and gold custom jewelry, modification of an existing product from the catalogue (different size, color,

shape, material, personal engraving, etc.), and the jewelry repair is offered to them. Customers can even request for unique golden and silver objects such as statuettes, prizes for various competitions, etc.

### 10.2.1 Unique Value Proposition

Veneo makes traditionally Czech handmade customized jewelry and offers flexible and customer-centered communication. That is company's competitive advantage as well as the unique value proposition.

As results from research Existing Customers 2017 (Appendix P I, question 4) show, from the customer's perspective customers made their purchase decision mainly because of the jewelry design (82.6%), the handmade technique of the jewelry (40.9%), the Czech origin of the jewelry (40.3%), and provided services (35.1%) such as custom orders, and so on.

### 10.2.2 Price

Veneo primarily concentrates on opal silver and gold handmade jewelry.

- Silver man-made opal jewelry (average: 32 - 87 EUR/ 860 - 2.350 CZK)
  - Pendants: 650 - 1.720 CZK (24 - 63 EUR)
  - Earrings: 1.050 - 3.440 CZK (39 - 127 EUR)
  - Rings: 930 - 1.950 CZK (34 - 72 EUR)
- Gold 14ct man-made opal jewelry (average: 88 - 289 EUR/ 2.378 - 7.810 CZK)
  - Pendants: 1.090 - 4.630 CZK (40 - 171 EUR)
  - Earrings: 2.900 - 9.330 CZK (107 - 345 EUR)
  - Rings: 3.200- 9.450 CZK (118 - 350 EUR)
- Natural stone jewelry
  - Upon request (depends on customer expectations on size, quality, etc.)

## 10.3 Distribution Channels and Communications Tools

### 10.3.1 Channels

Veneo has its online presence mainly on these channels:

- Czech e-shop *veneo.cz*,
- Search engines (paid text and display ads): *google.com*, *seznam.cz*,
- Comparison shopping websites: *heureka.cz*, *zbozi.cz*,

- Czech and Slovak P2P platform: *fler.cz*,
- International P2P platform: *etsy.com*,
- English and German P2P platform: *dawanda.com* (testing phase)
- Social networks: *Facebook, Twitter, Pinterest*

- **E-shop**

Company's main focus is on Czech e-shop *Veneo.cz*. This e-shop is currently under the process of redesign. New changes will affect a visual side of the e-shop as well as a technical side. The aim of this strategy is to improve and enhance customer experience and reinforce internal and external communication.

The website is divided into several parts. The top of the page has 7 sections: Jewelry, Veneo philosophy, Custom jewelry, References, FAQ, Career, and the last one Contacts. Each of the section leads to another landing page.

Right under these seven sections visitors can notice various banners. The goal of these banners is to communicate important announcements (sales, special offers, delivery reports, news, etc.). They change page to page so the customer can see all of them.

The main part of the website is a presentation of products (twelve categories: new products, opal jewelry, rings, earrings, pendants, jewelry sets, bracelets, necklaces, chains, engagement rings and wedding bands, men accessories, jewelry boxes). These categories are followed by the newsletter subscription form and the link to Facebook. There are also other informative elements present at the website (the process of manufacturing, certificates, etc.).

As it was already suggested, the purpose of the website is to inform and present products and services to new customers and to the existing ones.

- **P2P Platforms**

Etsy and DaWanda are the only platforms that offer Veneo products to countries outside the Czech Republic and Slovakia. Not all products are listed on these platforms due to the listing fees. Besides listing fees, it is possible to provide full service on these P2P platforms as on own e-shop: individual shop policies, shipping and return policies, shop announcements, messages to customers, purchase reviews, tracking item system, paid promotion, etc. Etsy protects both customers as well as sellers.

The negative aspect of this platform system is a large number of sellers. Most of the P2P platforms are free of charge for businesses who want to sell internationally as well as in own country. Sellers must be constantly improving their selling profiles if they want to succeed among other competitors.

These platforms are from the seller's point of view beneficial as complementary channels to own e-shop. Veneo started selling on Etsy from year 2013 and this year (2017) it has 360 sales. For comparison, on Czech e-shop *veneocz* it has 4225 sales between years 2013 and 2017. Veneo started selling on Fler (Czech and Slovak platform) in a year 2010 and sold 467 items. Compared to the e-shop, between years 2010 and 2017 Veneo had 5087 sales.

Etsy compared to Fler can link to the company's e-shop and to company's profiles on social media. Therefore, Etsy is connected to Veneo Pinterest, Facebook and freshly to Tumblr. DaWanda has been added to Veneo's selling platforms but it is still under a testing phase and the company's focus on DaWanda is not a priority.

According to shop reviews on Etsy (Appendix P II), a major Veneo's weakness on international platforms and a reason that causes customers' dissatisfaction is a limited shipping service. Veneo offers free shipping which is provided by Czech national postal service. Czech national postal service works without any significant problems in the Czech Republic and Slovakia but international shipping takes weeks and often happens that the package is lost or delayed for months. Customers can on the other hand choose FedEx Express delivery service that takes about two business days to deliver the product abroad but the price is sometimes the same as the price of the product itself.

- **Social Media**

Veneo public profile on Facebook has 1.7K followers and page likes. Communicated content on Facebook is not on a regular basis but rather thematically related to holidays (such as Christmas, New Year's Eve, National Women's Day, Mother's Day, Valentine's day etc.).

Communicated language is only Czech as well as the data on the profile. The majority of interactions with the content is organic. Facebook is the only social medium (Appendix P III, section 1) that generates profit and the conversion rate compared to other channels is the highest (2.97%). In the first quarter (January - March 2017), sessions on e-commerce derived from the social media are only 1.66% of total sessions on e-commerce. This is the area that should be improved in future since the potential of this channel is quite high.

Veneo's profile on Pinterest consists of boards that are a combination of own product pictures and inspirational pictures. A disadvantage is that product photos are overshadowed by inspirational photos, and a very few of own product photos get into interaction by followers and Pinterest users, contrary to inspirational photos that are repined more times. Pinterest is connected to Veneo Etsy account therefore customers can share products directly on Pinterest.

The number of followers is 63. There is 0 ecommerce conversion rate, 0 transactions, and only 0.02% sessions from total.

Tumblr *venejewels.tumblr.com* is a new set account where mainly products are presented. There is again 0 ecommerce conversion rate, 0 transactions, and 0.04% of sessions from total.

Veneo has a profile on LinkedIn but purely for recruiting purposes and for general introduction of the company. There is no Veneo Instagram account.

Veneo's disadvantage on these social media channels is that content is communicated mainly in Czech language as well as the e-commerce itself. Therefore, international customers are redirected to Etsy where they can purchase Veneo products but they do not have same information as Czech and Slovak visitors. Since the company's philosophy is a customer-centered approach, this should be improved.

### 10.3.2 Communications Tools

Veneo is using following communications tools to communicate own brand and products:

- **Online Public Relations**

Veneo communicates with its followers, fans, and general public on own website in section Magazine, furthermore on Facebook and also on P2P platform Fler.cz. Veneo informs target audience about new products, changing shop terms and policies, topics related to jewelry and manufacturing, and so on.

- **Email marketing**

Direct form of marketing is used to communicate news, seasonal offers, thematic offer etc. maximally twice a month via email to newsletter subscribers. Some special offers are also sent through email to key customers. Email campaign performance from the last quarter 2016 shows better results compared to the first quarter in 2017. But comparing acquisition

overview for two same quarters January - March 2016 and 2017, there is a significant growth in 2017 in sessions and the average session duration (Appendix P IV).

- **Online promotion**

Veneo uses online promotion mainly to attract and interact with new customers in forms of competitions when customers can either win a concrete product or a discount. Coupons and discounts are usually offered only to loyal customers and/or when some problems occur such as delayed delivery, etc.

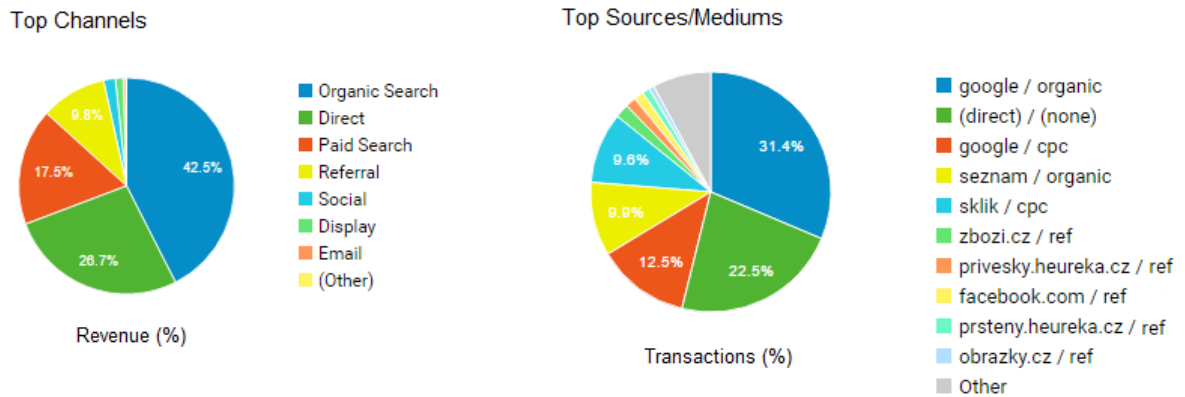
- **Paid Advertising**

Veneo concentrates on paid search engine advertising such as PPC and Remarketing ads in search engines, in comparison shop websites, and on Facebook. Furthermore, Veneo communicates through promoted posts on Facebook and promoted listings on Etsy.

As visible on Figure 1, Paid advertising consists of Display ads (1.2% revenue) and Paid search ads (17.5% revenue). That is 18.7% that generates revenue with 9.7% of transactions through Sklik (Seznam) and 12.5% of transactions through Google. Compared to Direct and Organic Search (two strongest channels), company still has gaps in paid advertising but even so, it is a key tool that generates profit.

Conversion rates for the first quarter in 2017 (Appendix P III) are 0.97% for Paid Search and 0.37% for Display Ads. That puts these channels on a fourth position with 1.34% of all customers who have purchased through paid ads.

Figure 1: “Revenue and Transactions: Top Channels/Top Sources, Jan 1, 2016 - Dec 31, 2016.” (Source: Google Analytics, own adaptation)



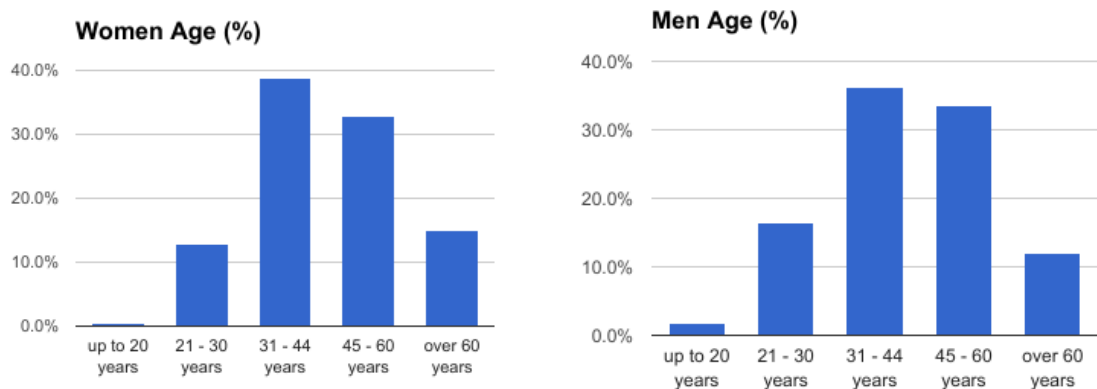
## 10.4 Research: Existing E-commerce Customers

Results described in the following chapters are attached as Appendix P I.

### 10.4.1 Demographic Data

According to research, existing customers consist from 60% of women and 40% of men. There are two significant age groups amongst existing customers: from 31 to 44 years and from 45 to 60 years. The rest of the customers are equally divided into 21 - 30 years' age group (14%) and to over 60 years' age group (14%). The age group up to 20 years is represented only by 0.9% of respondents. Comparing all age groups, women and men have a similar age structure (Figure 2).

Figure 2: “Women and Men Age Groups” (Source: Research Existing Customers, own adaptation)



### 10.4.2 Socioeconomic Data

- **Education and occupation**

A structure of respondents' education is the following:

- 39.7% secondary education - maturita,
- 24.9% higher education - MA,
- 9.7% Secondary education - vocational qualification,
- 8.9% higher education - BA,
- 8% higher education - PhD.,
- 6.3% higher vocational education
- 1.7% elementary education,
- 1.7% other.

The majority (36%) of surveyed customers are employed in private sector, 28.6% work in a public sector (healthcare, education, security, culture, social services, etc.), 12.3% are retired, 10.9% work as self-employed, 4% take parental leave, 3.7% are students, 0.9% represent unemployed respondents, 0.6% are employed in a non-governmental organization, and the rest, 3.1% of all respondents belong to the category “other”.

### 10.4.3 Behavioral Data

- **Typology of shoppers**

According to the research, existing customers are divided into the following shopping typology groups:



- 29.4% **“Demanding customers”**: High expectations on quality and modernity. Emphasis on shopping comfort and provided services.
- 22% **“Mobile pragmatists”**: The aim is to find a fit between price and a product. The preference of single but larger purchases.
- 19.4% **“Careful conservatives”**: Rational decision-making, not many impulsive purchases. Value own experience over advertising, design, brand, and price.
- 12% **None of the options**
- 5.4% **“Loyal housewives”**: Oriented towards social side of the purchase; value nice staff. More frequent purchases but smaller amount of goods.
- 5.1% **“Money-saving customers”**: Rational purchases of necessary goods, orientation towards price (discounts, sales, etc.).
- 4.9% **“Influenceable customers”**: Emotional decision-making. Influenced by advertising and the attractive appearance of the product. Impulsive purchases, testing new brands and products.
- 1.7% **“Undemanding phlegmaticS”**: No special requirements. Shopping where it is the most comfortable and with no effort. Prices do not play any significant role.

- **Purpose of the purchase**

The majority, 56.3% of all respondents bought Veneo jewelry to their family members, 46% to themselves, 7.7% to their friends, 1.7% to co-workers or to business associates, 3.7% specified the option “other” which mostly contained their partners, boyfriends, girlfriends.

- **Online shopping: frequency**

A significant majority of respondents (61.4%) shop most of the goods online, 34.6% of surveyed customers purchase occasionally on the Internet, and 4% of respondents shop rarely online - only in exceptional situations.

#### 10.4.4 Brand awareness

- **Loyal customers vs. One purchase**

More than half of all respondents (55.7%) purchased once at Veneo and the rest, 44.3% can be considered as loyal customers since they have purchased repeatedly Veneo jewelry.

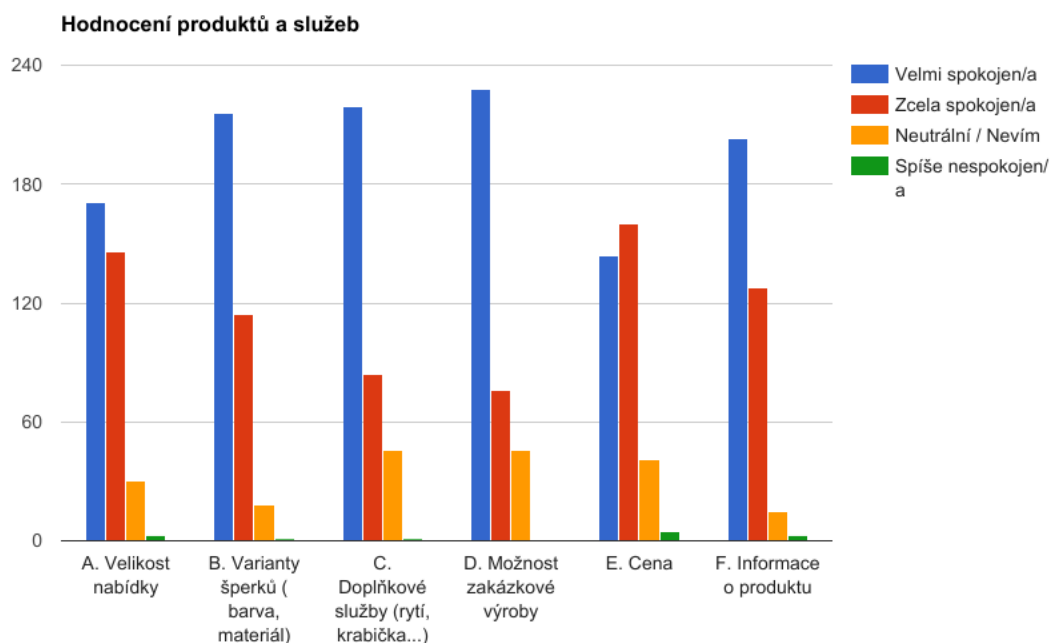
- **First contact with the brand: channels**

80.6% of respondents came in contact with Veneo through search engines such as Seznam and Google. Since it is not always recognizable by users, these 80.6% include organic search as well as paid text ads and display ads. 6% of all respondents came in contact with Veneo via P2P platforms Flér or Etsy, 5.7% were given a recommendation by a friend, co-worker, family member, etc., 2.9% came in contact via social networks, 2.6% through comparison shopping websites, 1.7% through other channels (such as event Miss Academia, physical retail store in Prostějov etc.), and 0.6% of all respondents could not recall the first contact with the brand.

- **Evaluation of products and provided services**

Surveyed customers were evaluating: A. the number of offered products, B. product variations (such as color and material), C. additional service (engraving, gift box, etc.), D. custom orders, E. price, and F. the product info. As the following Figure 3 shows, in the mentioned categories, customers were very satisfied (blue bars). Customers were less satisfied with the price (E.) and the number of offered products (A).

Figure 3: “Product Evaluation” (Source: Research Existing Customers, own adaptation)

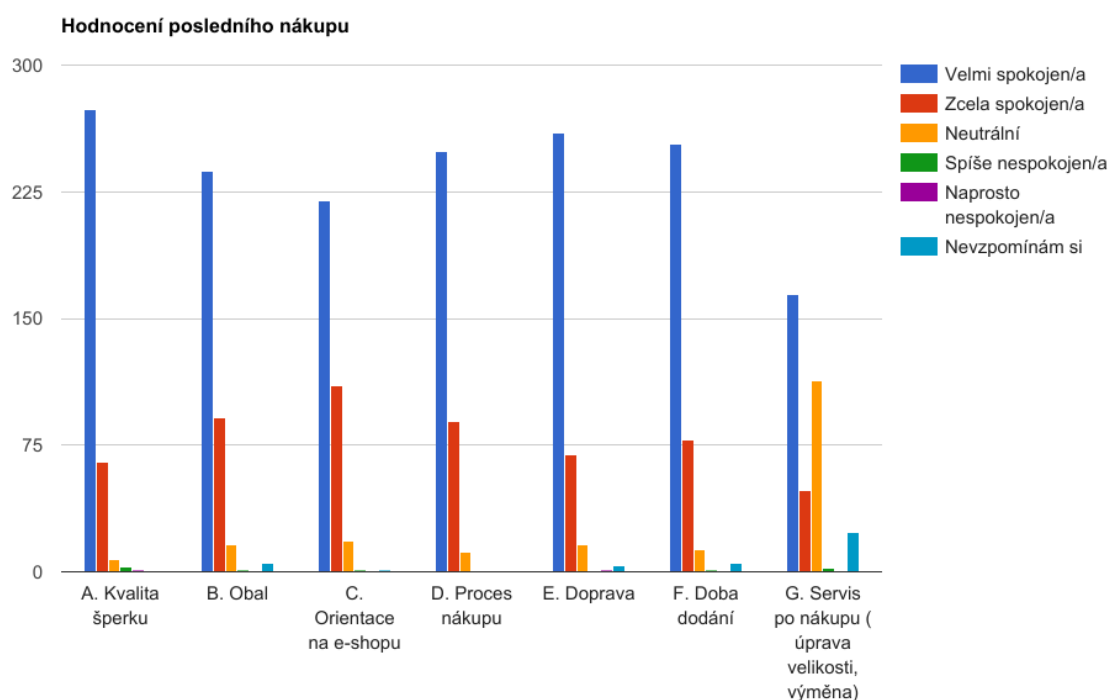


- **Evaluation of the last purchase**

In this section, customers were evaluating experience with the last purchase. Evaluated categories were: A. product quality, B. package in which was the product delivered, C.

orientation on the e-shop, D. shopping process, E. delivery service, F. time of delivery, and G. the after-purchase service (adjustment of the size, etc.). As results show (Figure 4), customers were overall highly satisfied with their last purchase. 32.3% of surveyed customers indicated the experience of post-purchase service (G) as neutral - this probably refers to the fact that these customers did not have the experience with the return or readjustment of the product, which is a positive result.

Figure 4: “Last Purchase Evaluation” (Source: Research Existing Customers, own adaptation)



- **Brand evaluation**

Following two charts (Figure 5 and Figure 6) compare what customers think of Veneo as a brand and how they perceive the ideal brand that manufactures jewelry. In both questions, respondents were evaluating these attributes: A. reliable, B. easily accessible, C. prestigious/luxury, D. innovative, E. traditional, F. playful, G. youthful.

According to the research, the ideal brand should be at first place reliable, second of all innovative, further traditional and accessible. Based on surveyed results, Veneo is mainly perceived as a reliable brand (81% strongly agree, 17% somewhat agree) and easily accessible brand (59% strongly agree, 33% somewhat agree).

Figure 5: “Veneo Evaluation” (Source: Research Existing Customers, own adaptation)

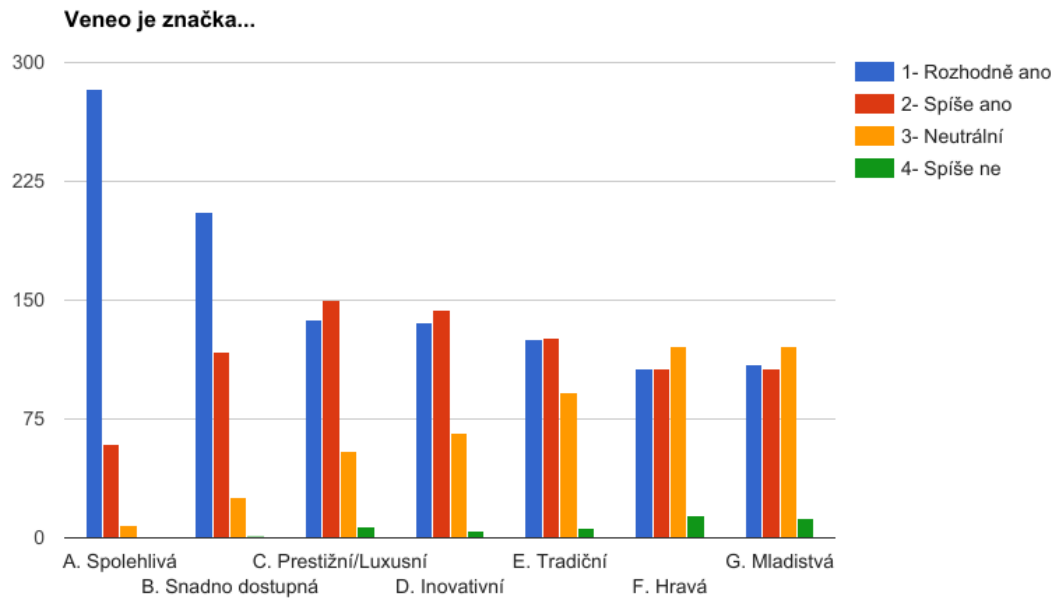
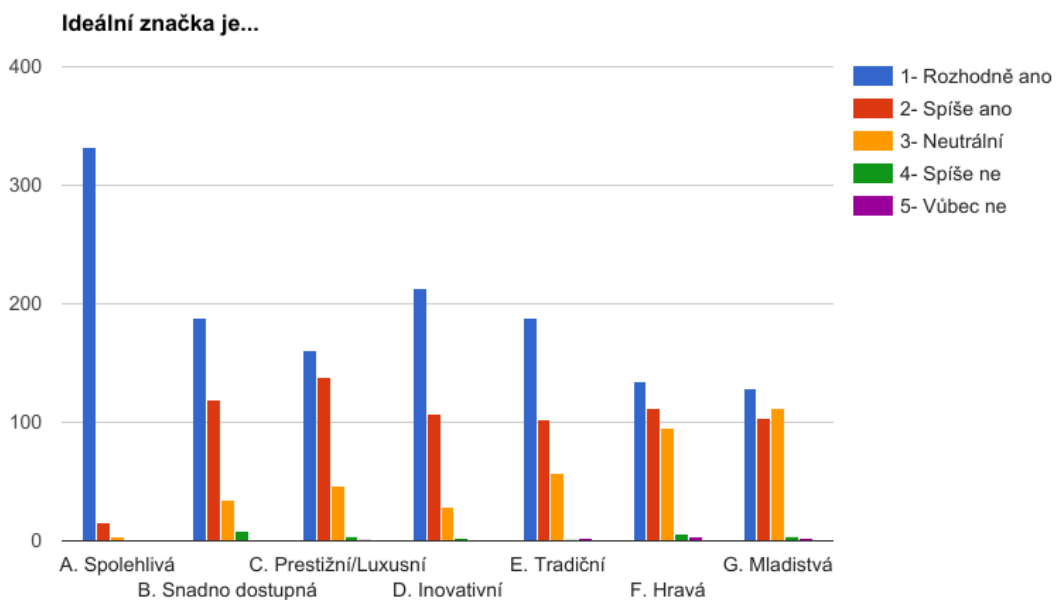


Figure 6: “Ideal Brand Evaluation” (Source: Research Existing Customers, own adaptation)



### 10.5 Existing Customers - Cluster Analysis

According to the cluster analysis (Appendix P V), respondents are divided into 5 clusters:

- Cluster 1:

<b>Number of respondents:</b>	107
<b>Age:</b>	31 - 44 years (37.4%), 45 - 60 years (32.7%), 21 - 30 years (22.4%)
<b>Gender:</b>	men (92.52%)
<b>Education:</b>	secondary education - maturita (35.24%), higher education - MA (31.43%)
<b>Occupation:</b>	employed in a private sector (56.19%)
<b>Loyal customers vs. one purchase:</b>	loyal Veneo customers (55.14%)
<b>Online shopping frequency:</b>	most of the products purchase online (62.62%)
<b>Factors that influenced purchase decision:</b>	jewelry design (86.92%), handmade technique of the jewelry (52.34%), provided services (43.92%)
<b>Recipient/Purchase purpose:</b>	to a family member (75.70%)
<b>Typology of shoppers:</b>	Demanding customers (32.71%) - high expectations, Careful conservatives (31.78%) - rational decision making
<b>Veneo is...(1-5):</b>	reliable (1.28), easily accessible (1.59), prestigious/luxury (1.93), innovative (1.85), traditional (2.07), playful (2.23), youthful (2.34)

<b>Ideal brand is... (1-5):</b>	reliable (1.10), easily accessible (1.87), prestigious/luxury (1.78), innovative (1.60), traditional (1.73), playful (2.18), youthful (2.25)
<b>Future expectations from Veneo:</b>	more products (45.79%), nothing, I am satisfied (42.99%)

- **Cluster 2:**

<b>Number of respondents:</b>	80
<b>Age:</b>	31 - 44 years (38.8%), 45 - 60 years (30%), over 60 years (26.3%)
<b>Gender:</b>	women (85.50%)
<b>Education:</b>	secondary education - maturita (31.25%), higher education - MA (31.25%)
<b>Occupation:</b>	work in a public sector (31.65%), retired (20.25%)
<b>Loyal customers vs. one purchase:</b>	one purchase (81.25%)
<b>Online shopping frequency:</b>	most of the products purchase online (65%)
<b>Factors that influenced purchase decision:</b>	jewelry design (73.75%), Czech origin (41.25%), provided services (33.75%)

<b>Recipient/Purchase purpose:</b>	to a family member (100%)
<b>Typology of shoppers:</b> heterogeneous	Mobile pragmatists (26.25%) - product/price fit, Demanding customers (18.75%) - high expectations, Careful conservatives (12.5%) - rational thinking, experience, Money-saving customers (12.5%) - price orientation, None of the options (12.5%)
<b>Veneo is...(1-5):</b>	reliable (1.24), easily accessible (1.46), prestigious/luxury (1.89), innovative (1.98), traditional (1.96), playful (2.14), youthful (2.09)
<b>Ideal brand is... (1-5):</b>	reliable (1.01), easily accessible (1.60), prestigious/luxury (1.80), innovative (1.50), traditional (1.64), playful (1.91), youthful (1.95)
<b>Future expectations from Veneo:</b>	nothing, I am satisfied (53.75%), more products (28.75%)

- **Cluster 3**

<b>Number of respondents:</b>	33
<b>Age:</b>	31 - 44 years (45.5%), 45 - 60 years (24.2%),

	over 60 years (21.2%)
<b>Gender:</b>	women (100%)
<b>Education:</b>	secondary education - maturita (45.45%), higher education - MA (18.18%), higher education - PhD (15.15%)
<b>Occupation:</b>	employed in private sector (36.36%), work in a public sector (21.21%), retired (21.21%)
<b>Loyal customers vs. one purchase:</b>	loyal Veneo customers (100%)
<b>Online shopping frequency:</b>	most of the products buy online (66.67%)
<b>Factors that influenced purchase decision:</b>	jewelry design (90.91%), communication with customers (51.52%), Czech origin (48.48%)
<b>Recipient/Purchase purpose:</b>	to a family member (100%), for themselves (87.88%)
<b>Typology of shoppers:</b>	Demanding customers (36.36%) - high expectations, Mobile pragmatists (27.27%) - product/price fit
<b>Veneo is...(1-5):</b>	reliable (1.12), easily accessible (1.39), prestigious/luxury (1.45), innovative (1.48), traditional (1.79), playful (1.82), youthful (1.64)
<b>Ideal brand is... (1-5):</b>	reliable (1.06),



	easily accessible (1.48), prestigious/luxury (1.48), innovative (1.30), traditional (1.52), playful (1.48), youthful (1.45)
<b>Future expectations from Veneo:</b>	more products (57.58%), modern design (33.33%), nothing, I am satisfied (33.33%)

- **Cluster 4:**

<b>Number of respondents:</b>	45
<b>Age:</b>	45 - 60 years (60%), 21 - 30 years (20%)
<b>Gender:</b>	women (97.78%)
<b>Education:</b>	secondary education - maturita (44.44%), higher education - MA (22.22%)
<b>Occupation:</b>	employed in private sector (39.53%), work in a public sector (39.53%)
<b>Loyal customers vs. one purchase:</b>	loyal Veneo customers (55.56%)
<b>Online shopping frequency:</b>	occasional online purchases (71.11%)
<b>Factors that influenced purchase decision:</b>	jewelry design (91.11%), Czech origin (71.11%), handmade technique of the jewelry (66.67%)
<b>Recipient/Purchase purpose:</b>	for themselves (100%)

<b>Typology of shoppers:</b>	Demanding customers (44.44%) - high expectations, Careful conservatives (17.78%) - rational decision making
<b>Veneo is...(1-5):</b>	reliable (1.20), easily accessible (1.51), prestigious/luxury (1.87), innovative (1.89), traditional (2.02), playful (2.11), youthful (2.00)
<b>Ideal brand is... (1-5):</b>	reliable (1.13), easily accessible (1.53), prestigious/luxury (1.69), innovative (1.44), traditional (1.64), playful (1.89), youthful (1.93)
<b>Future expectations from Veneo:</b>	more products (51.11%), nothing, I am satisfied (40%)

- Cluster 5

<b>Number of respondents:</b>	85
<b>Age:</b>	31 - 44 years (50.6%), 45 - 60 years (25.9%)
<b>Gender:</b>	women (92.94%)
<b>Education:</b>	secondary education - maturita (50%), higher education - MA (19.05%)

<b>Occupation:</b>	work in a public sector (40.51%), employed in private sector (29.11%)
<b>Loyal customers vs. one purchase:</b>	one purchase (72.94%)
<b>Online shopping frequency:</b>	most of the products purchase online (74.12%)
<b>Factors that influenced purchase decision:</b>	jewelry design (77.65%), provided services (44.71%), Czech origin (31.76%)
<b>Recipient/Purchase purpose:</b>	for themselves (96.47%)
<b>Typology of shoppers:</b> heterogeneous	Demanding customers (24.71%) - high expectations, None of the options (21.18%), Mobile pragmatists (20%) - product/price fit
<b>Veneo is...(1-5):</b>	reliable (1.15), easily accessible (1.42), prestigious/luxury (1.66), innovative (1.74), traditional (1.81), playful (2.12) youthful (2.09)
<b>Ideal brand is... (1-5):</b>	reliable (1.01), easily accessible (1.38), prestigious/luxury (1.61), innovative (1.41), traditional (1.61), playful (1.91), youthful (1.95)

<b>Future expectations from Veneo:</b>	more products (55.29%), nothing, I am satisfied (37.65%), modern design (32.76%)
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## 11 EXTERNAL ANALYSIS: COMPETITION

In order to compare Veneo to other competitors and to use this data for creating an online communications strategy, it is necessary to narrow and specify who the competitors are and what the competitive environment is. Therefore, the following section focuses on the most significant competitors, i.e. direct competitors.

### 11.1 Competitive Environment

Competitive environment consists of both direct and indirect competitors. Indirect competitors as well as direct competitors influence (and will be influencing) Veneo. Indirect competitors are in the case of Veneo:

- Online wholesalers (Macy's),
- online B2B businesses,
- affiliate marketing companies (promoting partnership products on own websites) or retail jewelry chains (Jared The Galleria of Jewelry, Kay Jewelers).

These companies are usually leaders on a market (large market share) and they are offering more brands at one place. It is important to follow their trends, product design, web design, and so on. When narrowing the competitive environment, the characteristic of a direct competitor is:

- a B2C e-commerce that is manufacturing and selling own jewelry.

Chosen direct competitors for Veneo are: BLUE NILE, GEMPORIA, OPALS AUSTRALIA, QP JEWELLERS, ANNE SISTERON. They will be evaluated in the next chapter with the comparative analysis.

## 11.2 Comparative Analysis

### 11.2.1 Blue Nile

Since 1999, USA.

<b>Product portfolio</b>	<b>Product lines - width:</b> (7) Necklaces, Earrings, Rings, Bracelets, Engagement rings, Wedding rings, Designer Jewelry
	<b>Accessories:</b> gift box, free shipping, jewelry insurance, lifetime product warranty, complimentary cleaning and inspection services on diamond rings
	<b>Customized production:</b> YES
<b>Distribution channels</b>	<b>E-shop:</b> <a href="http://www.bluenile.com">www.bluenile.com</a> , 3 language modifications
	<b>Social media:</b> Facebook, Pinterest, Twitter, Instagram
	<b>Other channels:</b> none
	<b>Shipping methods:</b> UPS Express Saver (same day - 5 business days)
<b>Communications</b>	<b>Communications channels:</b> <ul style="list-style-type: none"> <li>- <b>Facebook</b> - integrates other communications media such as <b>blog</b>, <b>e-shop</b>, and <b>Instagram</b>.</li> <li>- <b>Twitter</b> - copies some of the Facebook posts and <b>Pinterest</b> presents all posts visually. <b>Youtube</b> - tutorials, couple videos.</li> <li>- <b>iPhone app</b> - helps customers to pick the right engagement ring.</li> <li>- Customer service: <b>Live chat</b>, <b>email</b>, and a <b>phone</b>.</li> </ul>
	<b>Key messages:</b> <p style="text-align: center;">“KNOW WHAT YOU'RE BUYING”</p> <p style="text-align: center;">“EXPECT LOWER PRICES”</p> <p style="text-align: center;">“ALWAYS HAVE THE BEST”</p>
	<b>Tone of voice and style:</b> formal, professional, educational style of communication, straightforward, direct, and confident tone of voice - a use of “we” which represents a team of experts.

	<p><b>Content:</b> a combination of product presentation, educational guidelines navigating customers to choose the right piece of jewelry, historical background of jewelry, shared Instagram customer photos, stories of couples who purchased engagement and wedding rings at Blue Nile, videos.</p> <p><b>Frequency:</b> regularly, one post per day, everyday</p>
<b>Product price (shipping costs included)</b>	<p><b>Gold:</b> 2.700 - 13.500 CZK Ring (15.700 CZK), Earring (7.000 CZK), Pendant (4.600 CZK)</p>
	<p><b>Silver:</b> 1.150 - 8.200 CZK Ring (2.840 CZK), Earring (3.240 CZK), Pendant (2.680 CZK)</p>
	<p><b>Cubic zirconia and synthetic stones:</b> none</p>
	<p><b>Natural stones:</b> 1.500 - 1.035.600 CZK</p>
	<p><b>Discounts, sales, rebates:</b> YES, <b>jewelry sets:</b> NO</p>
<b>User experience</b>	<p><b>Clarity and Communication:</b></p> <ul style="list-style-type: none"> <li>- clear and simple shipping policies,</li> <li>- complex and organized shop and international policies,</li> <li>- structured arrangement of information but too much information for a single landing page: banners with discounts at the top, product categories and “explore more” section in the middle, interactive banners below, newsletter and social media links, customer care, contact information, guides and education, about section at the bottom.</li> </ul>
	<p><b>Usability:</b> 4-step final purchase process, clear but complex</p>
	<p><b>Credibility:</b> customer reviews and ratings included with each product, 90% of 4 and 5 stars, satisfied customers, numerous articles in magazines and on websites and such as Forbes, InStyle, Bridal Guide, Glamour, Yahoo! Finance, Elle, etc.</p>
	<p><b>Quality (handmade - yes/no):</b> custom jewels: YES, other: NO</p>

## 11.2.2 Gemporia

Since 2013, UK.

Product portfolio	<b>Product lines - width:</b> (7) Necklaces, Earrings, Rings, Bracelets, Collections, Homewares, Gift vouchers
	<b>Accessories:</b> none
	<b>Customized production:</b> YES
Distribution channels	<b>E-shop:</b> <a href="http://www.gemporia.com">www.gemporia.com</a> (international), <a href="http://www.gemporia.in">www.gemporia.in</a> (India), English only
	<b>Social media:</b> Facebook, Pinterest, Twitter, Instagram, Youtube, Google +
	<b>Other channels:</b> none
	<b>Shipping methods:</b> tracking system, Standard delivery (3 - 9 business days), Premium delivery (2 - 8 business days)
Communications	<b>Communications channels:</b> <ul style="list-style-type: none"> <li>- E-shop, Facebook, Twitter, Instagram, Pinterest, Youtube,</li> <li>- TV app, Phone apps - Jewellery Auctions, My Jewellery, Ring Sizer, Viewers Voice,</li> </ul> Customer service: <b>telephone and email</b>
	<b>Key messages:</b> “Encourage women around the world to be at one with nature - TO FAKE NOTHING”
	<b>Tone of voice and style:</b> relaxed, active, and interactive style of communication, friendly and family tone of voice.
	<b>Content:</b> main focus is on the production process - articles about gemstones, their history and geographical background, manufacturers’ stories, focus on people behind the business, interviews, etc.
	<b>Frequency:</b> approximately 2-5 posts per day
Pr od uc	<b>Gold:</b> 1.500 - 208.600 CZK



	Ring (2.400 CZK), Earring (2.400 CZK), Pendant (3.350 CZK)
	<b>Silver:</b> 600 - 7.200 CZK
	Ring (650 CZK), Earring (1.600 CZK), Pendant (900 CZK)
	<b>Cubic zirconia and synthetic stones:</b> none
	<b>Natural stones:</b> 700 - 200.900 CZK
	<b>Discounts, sales, rebates:</b> YES, <b>jewelry sets:</b> NO
<b>User experience</b>	<b>Clarity and Communication:</b> <ul style="list-style-type: none"> <li>- clear and well organized shipping and returning policies, structured and understandable FAQ,</li> <li>- well-structured arrangement of information: a discount banner and a product category bar at the top of the page, a presentation of products in the middle, social media links, payment methods, reviews, about company section, about jewelry section, service section, a discount banner at the bottom.</li> </ul>
	<b>Usability:</b> 4-step final purchase process, easy to use
	<b>Credibility:</b> 98% rating for service, 94% rating for products, 4.8 Google customer reviews, focus on the celebrity endorsement.
	<b>Quality (handmade - yes/no):</b> custom jewels: YES, other: NO

### 11.2.3 Opals Australia

<b>Product portfolio</b>	<b>Product lines - width:</b> (8) Bangles, Bracelets, Brooches, Cuff links, Rings, Earrings, Pendants, Collections
	<b>Accessories:</b> Free shipping and insurance worldwide
	<b>Customized production:</b> NO
<b>Distribution channels</b>	<b>E-shop:</b> <a href="http://www.opals-australia.com">www.opals-australia.com</a> , English only
	<b>Social media:</b> none
	<b>Other channels:</b> none

	<p><b>Shipping methods:</b> tracking system, up to 800 USD (7-14 business days), over 800 USD (2-3 business days: FedEx Priority)</p>
<p><b>Communications</b></p>	<p><b>Communications channels:</b></p> <ul style="list-style-type: none"> <li>- Descriptive texts on <b>e-shop, education section</b> on website with own texts, <b>blog</b> (inactive),</li> <li>- Customer service: <b>enquiry form</b> and <b>telephone</b></li> </ul>
	<p><b>Key messages:</b></p> <p style="text-align: center;">“Our experience, quality and service is your assurance”</p> <p style="text-align: center;">“PEACE OF MIND GUARANTEE...”</p>
	<p><b>Tone of voice and style:</b> personal and relaxed style of communication, “we” - a team of designers’ tone of voice.</p>
	<p><b>Content:</b> unique product descriptions highlighting stone and material origin, design, and the recommendation of recipient/occasion.</p>
	<p><b>Frequency:</b> none</p>
<p><b>Product price (shipping costs included)</b></p>	<p><b>Gold:</b> 5.900 - 55.000 CZK</p> <p>Ring (9.900 CZK), Earrings (13.700 CZK), Pendant (15.000 CZK)</p>
	<p><b>Silver:</b> 2.300 - 11.000 CZK</p> <p>Ring (2.700 CZK), Earrings (2.700 CZK), Pendant (2.300 CZK)</p>
	<p><b>Cubic zirconia and synthetic stones:</b> none</p>
	<p><b>Natural stones:</b> 2.330 - 81.200 CZK</p>
	<p><b>Discounts, sales, rebates:</b> NO, <b>jewelry sets:</b> NO</p>
<p><b>User experience</b></p>	<p><b>Clarity and Communication:</b></p> <ul style="list-style-type: none"> <li>- detailed, comprehensive, but understandable and well-structured terms and conditions (containing: pricing, warranty information, order procedure, photography and information, overseas tax and duty, etc.)</li> <li>- arrangement of information: simple and organized layout, stressing what company offers to customers with a purchase</li> </ul>
	<p><b>Usability:</b> 2-step final purchase process, easy to use.</p>

	<b>Credibility:</b> no reviews shown, no articles published
	<b>Quality (handmade - yes/no):</b> unspecified

#### 11.2.4 QP Jewellers

Since 2008, UK.

<b>Product portfolio</b>	<b>Product lines - width:</b> (4) Earrings, Necklaces, Rings, Bracelets
	<b>Accessories:</b> Gift box, lifetime warranty and guarantee, free shipping and insurance worldwide
	<b>Customized production:</b> NO
<b>Distribution channels</b>	<b>E-shop:</b> <a href="http://www.qpjewellers.com">www.qpjewellers.com</a> , English only
	<b>Social media:</b> Facebook, Instagram, Twitter, Pinterest
	<b>Other channels:</b> Jewel Street
	<b>Shipping methods:</b> free FedEx and DHL shipping (not promoted), 3 - 5 business days
<b>Communications</b>	<b>Communications channels:</b> <b>E-shop</b> with the link to The Jewellery Magazine, Facebook, Instagram, Pinterest, Twitter, Youtube Customer service: <b>Live chat, enquiry form, telephone, and email</b>
	<b>Key messages:</b> “QUALITY IS EVERYTHING” “It has always been our intention to be original, bold and, most importantly, ethical.” “...critically acclaimed, expertly crafted and world-renowned luxury diamond and gemstone jewellery”

	<p><b>Tone of voice and style:</b> classy and distant style of communication concentrated on ethical principles and professionalism, “we” tone of voice: a team of designers.</p> <p><b>Content:</b> Main communication on Facebook - most posts refer to a product presentation with simple descriptions (mainly informative, also call to action features), furthermore to articles that are thematically related to the topic. Company’s magazine provides articles and news about fashion and design, interviews with celebrities, inspirational articles, etc.</p> <p><b>Frequency:</b> FB - one post per day, regularly, Magazine - latest update November 2016.</p>
<p><b>Product price (shipping costs included)</b></p>	<p><b>Gold:</b> 1.900 - 135.300 CZK Ring (5.000 CZK), Earring (4.000 CZK), Pendant (3.100 CZK)</p> <p><b>Silver:</b> 2.100 - 3.500 CZK Ring (2.100 CZK), Earring (- CZK), Pendant (- CZK)</p> <p><b>Cubic zirconia and synthetic stones:</b> 3.100 - 10.000 CZK</p> <p><b>Natural stones:</b> 2.100 - 135.300 CZK</p> <p><b>Discounts, sales, rebates:</b> YES, <b>jewelry sets:</b> NO</p>
<p><b>User experience</b></p>	<p><b>Clarity and Communication:</b></p> <ul style="list-style-type: none"> <li>- simple layout but complicated process of getting to product/category filters</li> <li>- understandable but not well organized terms of use, returns policy, and FAQ</li> </ul> <p><b>Usability:</b> 5-step final purchase process, rather complicated</p> <p><b>Credibility:</b> 4,3/5 stars Google customer reviews, recognized in Vogue, Cosmopolitan, Marie Claire</p> <p><b>Quality (handmade - yes/no):</b> NO</p>

## 11.2.5 Anne Sisteron

USA

<b>Product portfolio</b>	<b>Product lines - width:</b> (6) Earrings, Cuffs, Necklaces, Rings, Bracelets, Collections
	<b>Accessories:</b> Gift wrapping, free shipping
	<b>Customized production:</b> YES (but no landing page, only a short mention in a customer service section)
<b>Distribution channels</b>	<b>E-shop:</b> <a href="http://www.annesisteron.com">www.annesisteron.com</a> , English only
	<b>Social media:</b> Facebook, Instagram, Twitter, Pinterest
	<b>Other channels:</b> ICONERY, lyst.com, Amazon, boutique: Beverly Hills, CA
	<b>Shipping methods:</b> free UPS 2-5 days shipping with orders more than 250 USD
<b>Communications</b>	<b>Communications channels:</b> - <b>E-shop</b> with the <b>Press section (Celebrity endorsement)</b> , <b>Instagram</b> , <b>Facebook</b> , <b>Pinterest</b> , <b>Twitter</b> , <b>Youtube</b> - <b>Customer service: Online customer care - enquiry form, telephone, and email.</b> Boutique: <b>personal communication</b>
	<b>Key messages:</b> “Great jewelry does not have to be unattainable...” “A collection should evolve over time, as the women wearing it do.” “A love for timeless jewelry, an eye for luxury inspiring a collection of brilliance.”
	<b>Tone of voice and style:</b> very personal and close style of communication, Anne and her family represent the brand: family tone of voice.
	<b>Content:</b> Main communication with customers and fans on Facebook and Instagram. Visual posts combining travelling, fashion, design, and jewelry.

	<b>Frequency:</b> FB - one post per day, regularly
<b>Product price (shipping costs included)</b>	<b>Gold:</b> 8.000 - 152.200 CZK Ring (8.900 CZK), Earring (9.600 CZK), Pendant (10.000 CZK)
	<b>Silver:</b> 3.500 - 7.000 CZK Ring (- CZK), Earring (- CZK), Pendant (- CZK)
	<b>Cubic zirconia and synthetic stones:</b> none
	<b>Natural stones:</b> 3.300 - 718.000 CZK
	<b>Discounts, sales, rebates:</b> NO, <b>jewelry sets:</b> NO
<b>User experience</b>	<b>Clarity and Communication:</b> <ul style="list-style-type: none"> <li>- simple and well organized layout</li> <li>- understandable and simple terms and policies, nevertheless the layout is chaotic</li> <li>- landing page contains large pictures with products and a designer</li> <li>- section Shop our Instagram shows jewelry in real life</li> <li>- section meet our designer and contact information at the bottom</li> </ul>
	<b>Usability:</b> 3-step final purchase process, simple and organized, order summary sidebar
	<b>Credibility:</b> 4,7/5 stars Facebook reviews, jewelry worn by celebrities
	<b>Quality (handmade - yes/no):</b> YES

### 11.3 Research: International Customers

All 5 respondents (Appendix have agreed in almost all areas that is in orientation and navigation on the website, product price, web design, and information in general. Charts below summarize positive and negative aspects of 5 compared e-shops according to international respondents.

- **Blue Nile**

Positive	Negative
<ul style="list-style-type: none"> <li>+ Easy to navigate</li> <li>+ Good orientation on the website</li> <li>+ Good design and website</li>   <li>+ Nice product design</li> <li>+ Attractive jewelry</li> <li>+ Luxurious</li>   <li>+ Free shipping</li> <li>+ Reasonable prices</li> </ul>	<ul style="list-style-type: none"> <li>- Too "commercial"</li> <li>- Too white, clinical, cold</li> </ul>

- **Gemporia**

Positive	Negative
<ul style="list-style-type: none"> <li>+ Easy navigation</li> <li>+ Clear with all the categories</li> <li>+ Subpages: nice design</li> </ul>	<ul style="list-style-type: none"> <li>- Landing page: difficult to navigate and to find something</li> <li>- Too much information</li>   <li>- Bad color combination</li> <li>- Small photos</li> <li>- Design</li> </ul>

- **Opals Australia**

Positive	Negative

<ul style="list-style-type: none"> <li>+ Good orientation</li> <li>+ Clear, serious, good design</li> <li>+ Good fonts</li>   <li>+ Good prices</li> </ul>	<ul style="list-style-type: none"> <li>- Not easy to use</li> <li>- LP: products not shown</li> <li>- Not understandable where to search</li> <li>- Boring design</li>   <li>- Jewelry do not look quality</li> <li>- Small photos</li> <li>- Small text</li> </ul>
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- **QP Jewellers**

Positive	Negative
<ul style="list-style-type: none"> <li>+ Easy to use</li> <li>+ Simple and nice design</li> <li>+ Good categories</li> <li>+ Products by colors</li>   <li>+ Nice colors and styles</li> <li>+ Nice and large pictures</li>   <li>+ Variety of products</li> </ul>	

- **Anne Sisteron**

Positive	Negative
<ul style="list-style-type: none"> <li>+ Easy orientation</li> <li>+ Website layout</li> <li>+ Professional design</li> <li>+ Colors, information, the overview</li> <li>+ Instagram and Meet the designer</li> <li>+ Shop by price</li>   <li>+ Quality</li> <li>+ Large variety to choose from</li> <li>+ Nice product design</li> <li>+ Luxurious</li> </ul>	<ul style="list-style-type: none"> <li>- Expensive</li> <li>- Not clear when searching for a specific product</li> </ul>



+ Pictures + Logo	
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## 11.4 Conclusion: International Customers

As results show, respondents preferred QP Jewellers due to its easy and simple design, navigation, product colors and style, large pictures, and search products by color filter. Second most favorite e-shop was, according to international respondents, Anne Sisteron which has a professional website design, easy orientation on the website, pictures of people wearing jewelry, quality and nice product design, shop by price filter, etc. On the other hand, products are perceived as expensive and not accessible to everyone. Plus, the search bar is difficult to be found.

With the question *what matters the most when shopping online*, respondents highlighted:

- A guarantee to receive the package
- A guarantee to receive exactly what was ordered
- Overall shopping process
- Good quality product photos
- Delivery costs

International respondents were also asked to whom they usually buy jewelry. Answers are similar as Existing customers Research, that is: to a family member, partner, friends, and for themselves.

According to answers from the semi-structured questionnaires, it is possible to assume that problems, customers are dealing with when shopping online, are:

- a. not receiving what was ordered,
- b. chaotic, too complicated, or hardly understandable orientation on a website,
- c. complicated shopping process, etc.

Therefore, Veneo's new e-shop should build a strategy that resolves these problems.

## 12 CONCLUSION - RESEARCH QUESTIONS

### RQ1.: What is a current product/market fit of the company on a Czech market?

1. Veneo has a stable position among existing customers, mainly due to the number of loyal customers (44.3%) but also because of the evidence of positive experience with the last purchase and the positive brand evaluation.
2. The company is perceived as a reliable and accessible brand that offers Czech handmade jewelry (product) for a reasonable price.
3. Veneo's market consists of men (40%) and women (60%) in age 31 - 60 years employed either in a private sector or working in a public sector. This market can be further divided into 5 clusters that vary mainly in the purpose of the purchase, gender, and the loyalty towards Veneo.
4. Typical features of this market: frequent online shopping, rational purchase decisions, high expectations on quality and modernity, and a fit between price and a product.
5. Jobs-to-be-done: Customers on this market purchase Veneo jewelry either for themselves (to make them feel better, for pleasure) or as a gift for their family members (make others happy).
6. The first major cluster of customers is represented by men who buy Veneo jewelry to their family members (30.57%).
  - a. They are mainly 31 to 44 years old. They have purchased more than once at Veneo (loyal customers), and they purchase often on the Internet.
  - b. They have high expectations on quality and modernity, the shopping comfort, and provided services, as well as they value own experience and rational thinking over impulsive purchases.
  - c. They buy Veneo jewelry because of the jewelry design, handmade technique of jewelry, and provided services.
  - d. They see Veneo as reliable, accessible, and innovative brand.
7. The second largest group of customers are women who buy Veneo jewelry for themselves (24.29%).
  - a. The majority of these women are 31 to 44 years old. They purchase often on the Internet but they have purchased only once at Veneo.

- b. They have high expectations on modernity, quality, the shopping comfort, and provided services. They also value a fit between price and the product.
  - c. They have bought Veneo jewelry because of the jewelry design, provided services, and the Czech origin of the jewelry.
  - d. They perceive Veneo as reliable, accessible, and luxury/prestigious brand.
8. Communication: The majority of customers visit Veneo directly (Direct channel) or through organic search. Organic search refers to a good position in SERP and a stable SEO. Paid advertising plays a significant role in communication but it still has certain shortcomings. Veneo has a weak communication on Social media even though Facebook has the highest conversion rate and generates some profit.

**RQ2: What is the best product/market fit for selected foreign markets?**

1. **Selected markets:** Western English-speaking countries (USA, Canada, UK)
2. **Barriers on this market:** mainly logistics (delivery on time + shipping costs)
3. **Target audience:**
  - a. The same target audience that works on existing markets should work as well on newly selected markets (5 clusters)
  - b. but for effective and fast implementation, it is useful to concentrate on main characteristics of the clusters that have the largest market share, that is Cluster 1 and Cluster 5, and use them as a target audience for foreign markets.
4. **Product/market fit for selected clusters should concentrate on:**
  - a. Usability (easy purchase process, simple website orientation)
  - b. Clear and understandable communication (shop policies)
  - c. Logistics (develop a complex and a functional system)
5. **Product strategy:**
  - a. Each evaluated competitor offers basic product lines (that is: rings, earrings, necklaces, and bracelets) and differentiated product lines (such as: engagement rings, wedding rings, design jewelry, collections, cuff links, pendants, etc.)
  - b. Veneo should as well offer basic product lines: rings, earrings, necklaces, and bracelets. Furthermore, it is also recommended to offer differentiated product lines.
6. **Products should (jobs-to-be done):**
  - a. Satisfy busy working woman and make her feel unique and beautiful

- b. Guarantee to a man that he is buying quality and suitable present to the family member (make him look smart with a fine taste)

#### **7. Pricing strategy**

- a. According to the competitor's analysis, price range is wide due to the product differentiation therefore, when setting pricing policy, Veneo should concentrate on representative product price range for each category (rings, earrings, pendants).
- b. Furthermore, prices should not exceed the price scale in the category (gold, silver, cubic zirconia, natural stones).
- c. Some competitors include shipping costs in the final product price and offer free shipping, some competitors have a separate international shipping policy where customers pay for shipping as for an extra service. That leads to the following solutions: 1. Include shipping costs in the final product price, 2. Provide shipping costs as a separate paid service, 3. Make a compromise and include half of the cost in the final product price, and make shipping as an extra paid service but with lower prices.

#### **8. Communication:**

- a. Four out of five competitors are fully using potential of Social media and they actively communicating with their target audience. All competitors concentrate on the e-commerce content; elaborated shop and international policies, detailed product descriptions, about company information, and so on.
- b. Veneo should not underestimate the potential of organic search on the online international market place and concentrate on the website content.
- c. Likewise, Veneo should use the potential of Social media and create a complex communication strategy that would mainly build brand awareness and maintain off-page SEO.
- d. Furthermore, in order to target selected segments, it is important to set paid advertising according to the cluster specifications.

#### **9. Strategy for selected foreign markets should:**

- a. Be customer-centered
- b. Guarantee that products will be delivered on time (connected to communication and logistics)

- c. Guarantee that customers will receive what they have ordered

### **III. PROJECT**

### 13 DEFINING STRATEGIC PREMISES

One of the Veneo's aims is to enter foreign markets and to create an international e-commerce selling jewelry. Based on theoretical findings and language limitations, Western English-speaking markets such as the USA, Canada, and the UK would be suitable markets for Veneo's online international strategy.

The premise of this entry strategy is that Veneo is searched by certain groups of customers. These customers are, from previous research, segmented into 5 clusters. These clusters, deduced from the Czech online marketplace, should represent a target audience on new markets. Subsequently, by targeting these clusters Veneo should have a successful strategy that informs English-speaking markets about the brand and about its products and services.

Based on the theoretical concept "Build-Measure-Learn", the priority of this entry strategy is a speed of implementation. That means, the first international e-shop prototype will be created, subsequently tested on early adopters, evaluated, improved, and presented to selected target audience.

In order to be able to measure and evaluate results from the implementation and create a cost-effective communication, only two major clusters will be used as a target audience and further elaborated in this entry strategy.

## 14 TARGET AUDIENCE

Selected clusters for this strategy are clusters 1 and 5 because they cover the majority of Veneo's Czech online marketplace. These clusters should be a sufficient target group for the initial project implementation.

### 14.1 Segment 1

#### 14.1.1 Characteristics

Cluster 1 is represented by:

- Men in age: a) 21 - 30, b) 31 - 44, c) 45 - 60 years,
- who are defined as “demanding” and “rational” customers. That means they have high expectations on a product (quality modernity) as well as on a shopping process (shopping comfort, services).
- They make their purchase decision mainly based on their own experience and rational judgement.
- They are all loyal customers
- They shop often on the Internet
- They buy jewelry for their family members: girlfriend, wife, parents, daughter
- Important factors when choosing Veneo are: jewelry design, handmade technique of jewelry (quality), and provided services.
- Ideal brand for them means: a brand that is reliable, innovative, prestigious/luxury.
- Jobs-to-be done: Veneo jewelry as a satisfier for a man who has bought a suitable present for a close person.

#### 14.1.2 Product

For this segment, besides main product lines, Veneo can organize products to categories based on who the recipient is or what the occasion is. That would simplify the selection process and it would guarantee that the product is suitable for selected target audience (jobs-to-be one).

That means, to create categories such as:

- a) for her, Women, For my wife, Grandma, Best friend, Girlfriend, and so on,
- b) for her birthday, Name's day, Mother's Day, etc.,



and select and divide certain products into these categories.

### **14.1.3 Place**

Selected target group should be primarily reached by Display and Text Paid Advertising on Google. Mainly, because this way of communication affects all age groups from general public compared, for example, to Social media.

Another channel, that would drive traffic to Veneo's e-shop, is comparison shopping website Google shopping. These customers would appreciate own experience with the comparison website and additionally, they would see products they can compare which would support their rational thinking.

Furthermore, since one of the aims is to create a loyal customer base on foreign markets, Facebook, Direct Newsletter E-mailing should serve as media that keep these customers informed and provide them with special offers and discounts.

### **14.1.4 Promotion**

This target group will be important as a loyal segment of customers. Therefore, a loyalty program should be developed. That can be for example, discount with the next purchase, free shipping with each 2nd purchase, and so on.

## **14.2 Segment 2**

### **14.2.1 Characteristics**

Cluster 5 is defined by:

- Women in age a) 31 - 44, b) 45 - 60 years
- Their shopping typology refers to “demanding customers” and “mobile pragmatics” who have high expectations on quality and modernity, on the other hand they want to find a fit between price and a product.
- They prefer large single purchases.
- At Veneo, they will usually stay at one purchase even though they are frequent online shoppers.
- They buy jewelry for themselves, to make them feel beautiful and happy.
- Qualities they will seek from Veneo are jewelry design, provided services (custom orders, adjustments, etc.), and the Czech origin of jewelry.

- The ideal brand according to them is reliable, easily accessible, and innovative.
- Jobs-to-be done: Veneo jewelry as means that make them feel beautiful, unique, and desirable and satisfy them.

#### **14.2.2 Product**

For this target group is important to find a product/price fit, therefore especially product collections with a price discount should be offered to them, besides basic product lines. These women would as well enjoy design jewelry that would make them feel unique among other women. Therefore, as a part of a product strategy, collections and design jewelry should be highlighted.

#### **14.2.3 Place**

This target group as well as previous group should be initially targeted via Paid Advertising. But since this is a group of one-purchase customers, these women should be as well targeted on Social media where more personal relationship is built and interaction is initiated. That would in future build a segment of loyal women.

#### **14.2.4 Promotion**

Since these women shop often online, they will get in touch with many competitors. It will be important to communicate Veneo in a way that these women would notice the brand and perceive it as desirable and unique Czech jewelry that is easily accessible. Accessible does not refer only to logistics but also to affordability (fair prices for offered quality), to flexible customer service, and so on.

## 15 COMMUNICATION

As previously mentioned, communications strategy should be in some areas segmented according to selected target groups. But even these groups have some similarities. And the communication in general should be consistent and integrated therefore it is possible to bring them under one bigger umbrella.

### 15.1 Objectives

1. Raise brand awareness among international audience
2. Encourage to purchase
3. Encourage to stay loyal customers
4. Encourage customers to join direct communication channel (Newsletter subscription)

### 15.2 Tools

The following tools are used to meet strategic objectives:

1. Website
2. Paid Advertising
3. Social Media
4. E-mailing
5. Online Promotion
6. Online Public Relations
7. Product Microsites

### 15.3 Key messages

Key messages should reflect values Veneo represents, that is:

- “Creating unique, one-of-a-kind, tailored jewelry that suits (you) perfectly”
- “Veneo is transforming stories into pieces of jewelry”

These key messages can stay the same and some more can be added:

- **Highlighting country of origin:** “Unique Czech Gold & Silver Handmade Jewelry” “Discover/Uncover Moravian heritage/tradition”, “Discover/Uncover Czech quality” ...

- **Highlighting long experience in a field:** “For more than 20 years we make tailored jewelry”, “Guaranteed 25 years of experience”
- **Others:** “Quality guaranteed”.

#### **15.4 Tone of Voice and Style**

Based on the international competition, I suggest using professional but informal style of communication, stressing national values as country of origin, Czech tradition, goldsmith tradition, and so on. Furthermore, the style that highlights granting the guarantee of quality and personalized approach.

Tone of voice should reflect “we” as a family business with Lubomír Krčmář as a representative of the brand and the experienced goldsmith.

## 16 E-SHOP

In order to deliver effective communication to selected target audience generating desired results, it is important to start with the e-shop itself.

### 16.1 On-page Optimization

New e-shop *veneojewelry.com* should be first optimized (texts, layout, shopping process, banners) and then, off-page optimization can take place.

The priority is to optimize new Veneo e-shop *veneojewels.com* by:

- dividing products into categories,
- adding English product descriptions,
- creating English versions of *Custom Orders*, and other landing pages,
- adding shop policy, international shipping policy, and return policy,
- adding currency conversion function,
- providing contact information for international customers,
- adding reviews from Etsy (existing international customers),
- preparing content for promotional banners and a newsletter subscription.

#### 16.1.1 Product

Repeating what was previously mentioned, Veneo jewelry and provided services should fulfil following tasks:

- a. Satisfy busy working woman and make her feel unique and beautiful
- b. Guarantee man and woman that they are buying quality and suitable present to a family member or a friend (make them look smart with a fine taste)

One of the strategic goals is to **simplify shopping process** which relates to the presentation of products. Since Veneo offers a large number of products, visitors should not be overloaded by the amount, otherwise it would lead to the high bounce rate. Therefore, products should be divided into the following categories:

- **Main product lines:**

Rings, Earrings, Necklaces (including: pendants and chains), Bracelets

- **Differentiated product lines:**

Men Accessories, Wedding & Engagement, Design jewelry, Others (subcategories: Jewelry Boxes, Jewelry Sets, Opal Jewelry).

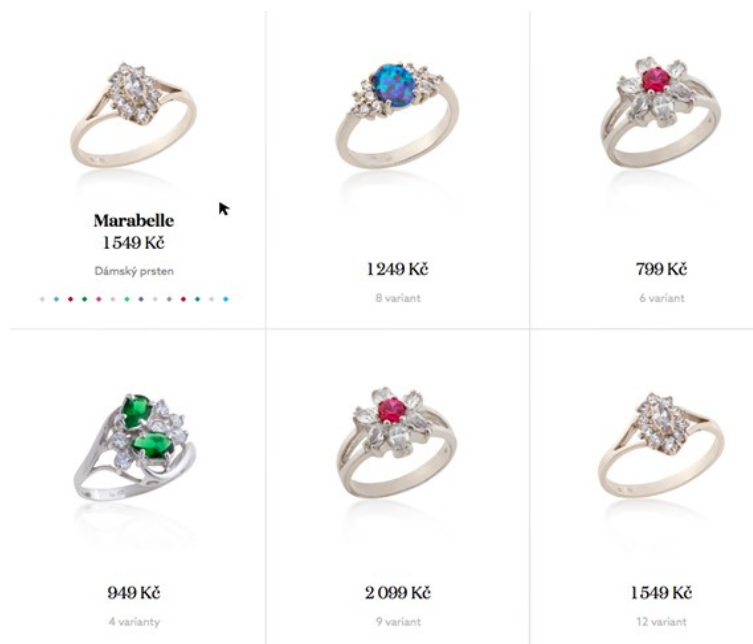
- **Personalized product categories:**

By recipient (for her, for him, to my mum...), by occasion (Women's day, Mother's Day, World Marriage day, etc.)

- **Product Presentation**

According to Veneo's research from 2016 when respondents were asked to express their opinion about product photo presentation, each product should be represented by three different photos. These are:

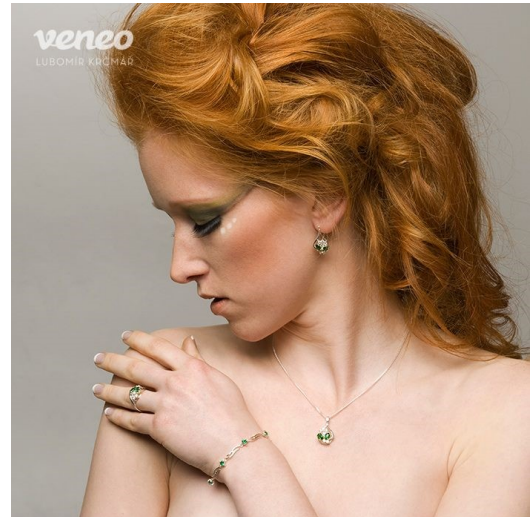
- a) a simple product photo (Picture 8) with white background, product centered in the middle of the composition, with the light product shadow). This photo will be also used on a landing page in order to create a simple layout.
- b) by a closer look on a model (Picture 9),
- c) and by a distant look on a model several photos on a model, optionally in a combination with other matching products (Picture 10).



Picture 8: “A Simple Product Photo” (Source: Christian Jánský, Veneo)



Picture 9: “A Product Detail”  
(Source: Veneo.cz)



Picture 10: “A Product on a Model” (Source: Veneo.cz)

When products are divided into selected categories and each product has sufficient pictures, it is time to work on product descriptions.

First products shown on a website will be those that are already translated on Etsy. These texts will be further modified and personalized. Each product description will include a birthstone mention and/or occasion/recipient recommendation

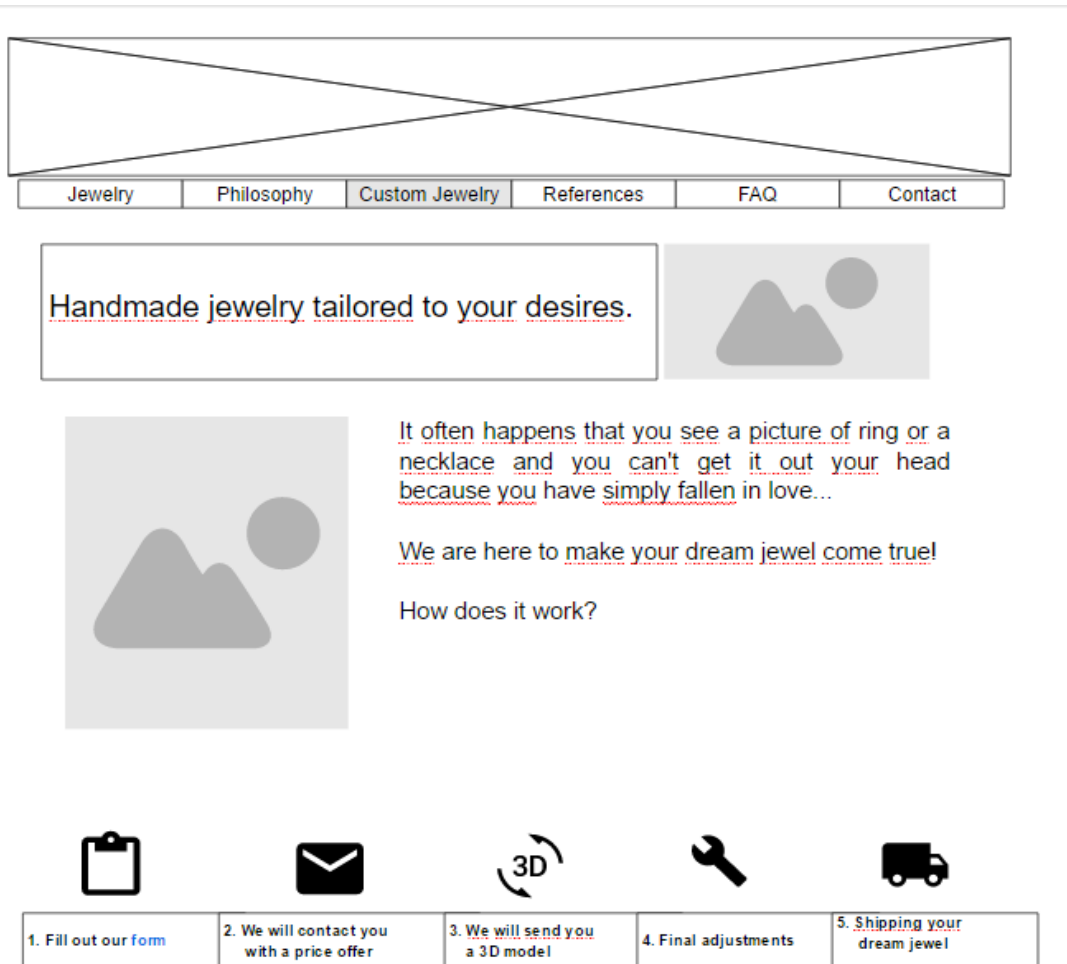
Each product should include:

- a) Product name (on a landing page): *Princess*
- b) Heading: product name with a basic description and searched keywords: *Charming Handmade Sterling Silver or 14K Gold Amazonian Opal and Zircon Ring.*
- c) Product description:
  - Material (Sterling Silver, Yellow Gold, White Gold, Rose Gold)
  - Stone size + Stone (*5mm man-made opal, 8mm cubic zirconia, 2ct natural diamond*)
  - Mention what customers get for free with the product: *free shipping, gift box, etc.*
  - Recipient/occasion/birthstones: *Wonderful present for the loved ones..., Take Carmen on a gala, she will make sure, you will be in the center of attention..., and so on.*

- Product adjustments: hyperlinks to the menu box with various stone colors and to custom orders section with a note: *Natural stones are also possible, exact price upon request.*

- **Custom Jewelry**

Section Custom Jewelry will be as a separate landing page. At the top of the page there will be the same heading banner Veneo has in other sections. A larger banner showing previous customized work and a text introducing tailored jewelry will follow. At the bottom, simple infographics (in a style Veneo is using) describing a process of custom orders will appear, leading customers to a form with a photo and a pdf upload section.



Picture 11: “Custom Orders – Landing Page” (Source: own adaptation)



Other sections will copy texts from Czech e-shop with little changes with respect to the international audience.

- **Banners**

All banners will be in the same design as the website itself. Banners will mainly promote seasonal offers, special discounts, changing shop policies, free shipping, and a free gift box with each order.

### **16.1.2 Logistics**

As results from previous findings show, international shipping is one of the main problems Veneo is dealing with. Therefore, new shipping policy has to be created in order to guarantee delivery on time (for both segments) and present Veneo as a reliable brand on selected markets.

Even though Czech National Post sometimes delivers packages on time (that is EU countries about 5 business days, US and other countries 7 and more days), more frequently happens that packages are delayed or even lost. At first place, it harms the brand and customers, as well as it causes more work for Veneo employees.

Therefore, for United States and Great Britain, Czech National Post will be replaced by private carriers such as DHL and FedEx. And for other European countries, Priority Mail provided by Czech National Post will be replaced by Express Mail Service provided by Czech National Post.

This change will influence Veneo price policy since the idea is to offer free shipping to all customers.

Once the new carriers are implemented, Veneo can guarantee:

- Express delivery
- Package tracking
- Phone or e-mail notification
- (Free shipping)

### **16.1.3 Pricing Policy**

Based on the international competition analysis, competitors have wide price range. It is mainly due to the price of material (various types of gold, natural stones vs. cubic zirconia) and shipping costs.

In my opinion, Veneo should not exceed these price ranges with own product prices. Because if the price is higher, there is a small chance customers would prefer Veneo over cheaper competitors. On the other hand, being cheaper than competitors (who are mainly handmade manufacturers) would not present Veneo as a desirable and prestigious brand. These qualities refer to the way company should be perceived by selected target audience.

- Price range for Gold: 4.000 - 113.000 CZK
- Price range for cubic zirconia and synthetic stones: 3.100 - 10.000 CZK
  - Gold ring: 2.400 - 15.700 CZK, **average: 8.380 CZK**
  - Gold earring: 2.400 - 13.700 CZK, **average: 7.340 CZK**
  - Gold pendant: 3.100 - 15.000 CZK, **average: 7.210 CZK**

I personally suggest selling gold ring around 5.000 CZK, gold earrings around 6.000 CZK, and gold pendants around 5.000 CZK, depending on the weight of material, complexity of a design, and a stone selection (cubic zirconia and synthetic stones up to 10.000 CZK).

- Price range for Silver: 1.900 - 7.400 CZK
- Price range for cubic zirconia and synthetic stones: 3.100 - 10.000 CZK
  - Silver rings: 650 - 2.700 CZK, **average: 2.070 CZK**
  - Silver earrings: 1.600 - 3.240 CZK, **average: 2.500 CZK**
  - Silver pendants: 900 - 2.680 CZK, **average: 1.960 CZK**

With the silver jewelry, I recommend rings, earrings, and pendants to be sold around the average price which is 2.000 CZK. What should influence the final price is the jewelry design (simple vs. complicated) and the selection of stones.

Prices for jewelry with natural stones will stay upon request since it mainly depends on customer's requirements.

- **Shipping costs**

As visible from international competitors, the final price either includes shipping costs or the shipping costs are separated as an extra service. Veneo can therefore choose one of the following pricing strategies:

- A. Include shipping costs in the product price**

Final product price would include production costs, shipping costs in order to cover all expenditures. And the profit margin will be lower. The premise of this strategy is that when customers see lower prices, they would purchase more frequently.

- The final pricing for strategy A would be:
  - gold ring around 6.000 CZK + Free shipping
  - gold earrings around 7.000 CZK + Free shipping
  - gold pendants around 6.000 CZK + Free shipping
  - silver jewelry around 3.000 CZK + Free shipping

### **B. Shipping as an extra**

In this strategy, final product price would consist of production costs and higher profit margin. Shipping will be as an additional paid service or for customers who purchase more than certain amount (e.g. over 200 EUR). A premise of this strategy is that customers will spend more by each purchase but they would shop less frequently.

- The final pricing for strategy B would be:
  - gold ring around 5.000 CZK + 1.000 CZK extra shipping
  - gold earrings around 6.000 CZK + 1.000 CZK extra shipping
  - gold pendants around 5.000 CZK + 1.000 CZK extra shipping
  - silver jewelry around 2.000 CZK + 1.000 CZK extra shipping

### **C. Compromise between A/B**

Based on researched facts, the last pricing strategy is advised. That means including certain part of the shipping costs in the final product price and the rest of the shipping costs offer as an additional paid service but with reduced price. This additional paid service would be used by those customers who want the fast delivery (segment 1) and adjusting this strategy to segment 5, customers would see what they are paying for (reasonable pricing).

- The final pricing for strategy C would be:
  - gold ring around 5.800 CZK + 200 CZK extra shipping
  - gold earrings around 6.800 CZK + 200 CZK extra shipping
  - gold pendants around 5.800 CZK + 200 CZK extra shipping
  - silver jewelry around 1.800 CZK + 200 CZK extra shipping

Comparing Veneo's current prices on a Czech market (chapter 10) with suggested prices:

- with strategy A, suggested prices are higher than current prices,

- with strategy B, the prices are similar to what is offered on a Czech market
- with strategy C, some prices are higher but some prices are on an average.

All three strategies require further testing and the customer's evaluation.

## 16.2 Off-page Optimization

When *veneojewels.com* is "on-page optimized", display and text ads should be created in order to drive more traffic to the website and to improve rank position in SERP.

### 16.2.1 Paid Advertising

As it was previously mentioned, Paid advertising will be important in reaching general public. It might be worth testing whether the setting for Czech online marketplace works the same on the international market.

Paid advertising should target mainly segment 1 (men on selected markets). As assumed, this group of customers does not search purposely for jewelry on social media, which is according to previous research a medium with a great potential.

Paid Advertising should be launched at the same time e-shop is launched and the formats should be:

- Seasonal display and text ads,
- display and text ads promoting Veneo key messages, and
- remarketing ads.

## 16.3 Social Media

Facebook will be a priority medium in personal communication and it will integrate other social media such as Instagram and Pinterest. Instagram will be presenting own jewelry and own photos whereas Pinterest and Tumblr will be a combination of inspirational mood boards and own products. Strategic goals on these social channels will be to raise brand awareness and to encourage audience interaction.

English Veneo profile on Facebook will be separated from the Czech profile so the content is as well separated by language and different shop policy.

### 16.3.1 Content

In the meantime, when new website is being tested, Veneo will start its activity on Facebook. First, basic information should be added (about section, policy, etc.) and then first posts will be shared.

- Half of the posts will be organic and half will be promoted
- At the beginning, targeting will be according to Cluster 1 and Cluster 5 specification, that is gender, age, interests, location, etc.
- Facebook posts will be a combination of:
  - a product presentation (photos, links to the website),
  - seasonal offers,
  - interesting fashion, design, and jewelry articles,
  - call to action features
  - shared mood boards from Pinterest and Tumblr,
  - reposted pictures from Instagram\*
  - own interviews with bloggers and Veneo's jewelry designers from Veneo magazine

\*Since Veneo does not have many pictures with various compositions, existing customers from Etsy and further new customers will be asked to share their personal photos on Instagram and Facebook with hashtag *lovingmyveneojewelry*. These photos will be a main content on Instagram with pictures from Czech and Slovak customers.

### 16.3.2 Frequency

At the beginning, Facebook posts will be published once a week to see and test whether set target audience responds reacts and interacts on SM. Later, posts will be published maximally four times per week. The idea is to create a couple of quality posts with specific targeting and action orientation rather than plenty of posts of no quality nor sense.

## 16.4 Google Shopping

Google shopping is a comparison shopping engine with the benefit that uploaded products will appear in Google search results as both organic and paid results. Once the website is ready to be presented to international customers, next step will be to create a product feed for google shopping which includes product info, prices, photos, etc.

Alternatively, but more in future, once Veneo fully works on the international level, other international comparison shopping websites can be used, such as Bing and Amazon.

## **16.5 Newsletters**

When the website is launched, section “Subscribe to the Newsletter” will be added to the website. The first newsletter will welcome subscribers with a brief introduction of the company, its history, introducing Lubomír Krčmář, company’s values and beliefs. Furthermore, the first newsletter will lead to the “shopping guide” located on a website. The shopping guide will include either a shopping process preview video or pictures of “how to shop at Veneo”. The idea is to simplify shopping process to customers and at the same time, already show them some products.

Later, newsletters will be sent seasonally (Christmas, Easter, Women’s day, Valentine’s day, Black Friday, seasonal jewelry picks: Spring, Summer, Fall, Winter, etc.), and when new products are added to the e-shop.

## **16.6 Online Public Relations**

Online Public relations will be important after the e-shop is tested and evaluated as functional. New articles should be written and added to the section Veneo Magazine. Topics should concentrate on fashion designers, bloggers, and other related topics. Moreover, the cooperation with fashion and design bloggers should be established. Ideally, the frequency of these articles is once a month or once in two months.

## **16.7 Online Promotion**

With the first purchase, customers should receive a 5% discount (pop-up banner on e-shop) so they subscribe to the newsletter. There will be no specific loyalty program but customers who have purchased for the 3rd time should receive another discount. The idea is to create base of loyal customers who will spread positive reviews about Veneo to their friends and families (word of mouth). Furthermore, loyal customers, bloggers, and opinion leaders might get a product sample with a personalized letter, again, in order to spread positive word of mouth.

For the testing phase, it will be important that early adopters will provide Veneo with feedback about the functionality of the e-shop and orientation and price policy. Therefore, some of the early adopters will also receive product samples.

## **16.8 Product Microsites**

Product microsites will be important once everything is functioning, and optimized. Microsites will generally introduce new Veneo collections from designers and seasonal picks from Veneo. It means that there will be no regularity in creating product microsites except for Christmas.

## 17 PROJECT PLANNING

### 17.1 Time Framework and Checklist

I. Planning		
<b>Strategy</b>	<ul style="list-style-type: none"> <li>• Plan international strategy</li> <li>• Select markets</li> <li>• Create detailed checklist</li> <li>• Suggest Time framework</li> </ul>	<b>March 2017</b>
<b>Early Adopters</b>	<ul style="list-style-type: none"> <li>• Define early adopters</li> </ul>	<b>May 2017</b>
II. Executing		
<b>E-shop</b>	<b>Product selection</b> <ul style="list-style-type: none"> <li>• Import products to e-shop</li> </ul>	<b>May 2017</b>
	<b>Category simplification</b> <ul style="list-style-type: none"> <li>• Merge certain categories</li> <li>• Add shop by price function</li> </ul>	<b>May 2017</b>
	<b>Texts preparation/translation</b> <ul style="list-style-type: none"> <li>• About</li> <li>• Veneo Philosophy</li> <li>• Shop policy</li> <li>• International policy</li> <li>• Custom Jewelry</li> <li>• Shopping process</li> <li>• FAQ</li> <li>• Contact info</li> <li>• Banners</li> <li>• Add promo pop-up 5% off</li> </ul>	<b>May / June 2017</b>
	<b>Product details</b> <ul style="list-style-type: none"> <li>• Optimize product descriptions (first 50 products)</li> </ul>	<b>June / July 2017</b>
	<b>Product price</b> <ul style="list-style-type: none"> <li>• Set product prices</li> </ul>	<b>June / July 2017</b>
<b>Social Media</b>	<b>Facebook</b> <ul style="list-style-type: none"> <li>• Set FB profile</li> <li>• Add texts</li> </ul>	<b>July 2017</b>



	<ul style="list-style-type: none"> <li>Plan first two months' content</li> </ul>	
	<b>Instagram</b> <ul style="list-style-type: none"> <li>Set profile</li> <li>Add description</li> <li>Connect to FB</li> <li>Create some posts with new hashtag</li> </ul>	<b>July 2017</b>
	<b>Pinterest</b> <ul style="list-style-type: none"> <li>Change name</li> <li>Add description</li> <li>Connect to FB</li> </ul>	<b>July 2017</b>
<b>Paid Advertising</b>	<b>Display and Text ads</b> <ul style="list-style-type: none"> <li>Prepare content</li> </ul>	<b>July 2017</b>
<b>E-mailing</b>	<b>Welcome e-mail</b> <ul style="list-style-type: none"> <li>Create a graphical layout for all newsletters</li> <li>Create a content for the first newsletter</li> <li>Prepare a "shopping guide"</li> </ul>	<b>August 2017</b>
<b>III. Testing + Evaluating + Improving</b>		
<b>E-shop</b>	<b>Early adopters</b> <ul style="list-style-type: none"> <li>Target early adopters</li> <li>Jobs-to-be-done Framework</li> <li>Test with early adopters</li> </ul>	<b>August 2017</b>
	<b>Testing</b> <ul style="list-style-type: none"> <li>Website orientation</li> <li>Shopping process</li> <li>Collect feedback</li> <li>Improve e-shop</li> </ul>	<b>August 2017</b>
<b>IV. Launching + Maintaining</b>		

<b>Paid Advertising</b>	<b>PPC</b> <ul style="list-style-type: none"> <li>• Run paid ads</li> </ul>	<b>August 2017</b>
<b>Targeting</b>	<b>Etsy</b> <ul style="list-style-type: none"> <li>• Inform existing customers about new e-shop</li> </ul>	<b>August 2017</b>
	<b>SM</b> <ul style="list-style-type: none"> <li>• Inform new audience about the e-shop</li> </ul>	<b>August 2017</b>
<b>I. Planning</b>		
<b>Newsletter Magazine SM</b>	<b>Content</b> <ul style="list-style-type: none"> <li>• Create content for following months</li> </ul>	<b>September 2017</b>
<b>Products</b>	<b>Product Microsites</b> <ul style="list-style-type: none"> <li>• Create content for a product microsite</li> <li>• Promote PM</li> </ul>	<b>October / November 2017</b>
	<b>Bloggers</b> <ul style="list-style-type: none"> <li>• Research key bloggers</li> <li>• Contact key bloggers</li> <li>• Establish cooperation</li> </ul>	<b>Spring / Summer 2018</b>

## 18 PROJECT EVALUATION

### 18.1 Objectives and Key Results

Objectives	Key Results
I. <b>Products</b> are fully functional	<ul style="list-style-type: none"> <li>a. All products are implemented to the new e-shop</li> <li>b. Products include presentable content</li> </ul>
II. <b>Price</b> policy is fully developed	<ul style="list-style-type: none"> <li>a. All approaches are tested</li> <li>b. All approaches are evaluated</li> <li>c. One approach is implemented</li> <li>d. Satisfied customers with product/price fit</li> </ul>
III. <b>Communication</b> materials are available	<ul style="list-style-type: none"> <li>a. Content plan for first months is developed</li> <li>b. Communication is evaluated by early adopters</li> </ul>
IV. <b>Channels</b> are fully accessible	<ul style="list-style-type: none"> <li>a. Selected channels are accessed</li> <li>b. Content is communicated to the target audience</li> </ul>
V. Functional <b>E-shop</b> is launched	<ul style="list-style-type: none"> <li>a. Presentable product is ready</li> <li>b. Pricing policy is set</li> <li>c. Shopping process is functional</li> <li>d. Tested e-shop is improved</li> <li>e. Promotional plan is launched</li> <li>f. Communicational channels are fully accessed</li> </ul>
VI. Large number of <b>customers</b> is satisfied	<ul style="list-style-type: none"> <li>a. Receive 50% more positive reviews</li> <li>b. 70% higher customer engagement</li> <li>c. 30% of customers repeat their purchase</li> <li>d. Increase ecommerce conversion rate</li> </ul>
VII. A <b>brand name</b> among international jewelry makers is established	<ul style="list-style-type: none"> <li>a. References in blogs, websites, newspapers</li> <li>b. 50% increase revenue from international transactions</li> </ul>

## CONCLUSION

Theoretical part of this thesis introduces modern concept of marketing, integrated marketing, and online marketing communications with additional characteristics of global online B2C e-commerce. Furthermore, it explains certain frameworks for strategic planning and subsequent implementation, such as Product/market fit and Lean Canvas. Analytical part of the thesis introduces company Veneo, and the quantitative questionnaire and the cluster analysis examines existing customers.

Based on demographical features, behavioral patterns, and preferences, researched customers are divided into five segments (clusters). These clusters represent specific shopping behavior and attitudes essential for developing any strategy.

Results from mentioned analyses have helped answering first research question. Veneo is a family business manufacturing jewelry with a stable position on a Czech online marketplace. Existing customers are from 60% women and 40% men when 24.29% women in age 31 to 44 years who buy jewelry for themselves and 30.57% men who purchase for their family members. These customers value Veneo primarily for its reliability, jewelry design, Czech jewelry origin, and handmade technique of the jewelry.

Since one of the company's goals is to enter online foreign markets, based on initial research, Western English-speaking countries were selected for building online international strategy. As findings indicate, barriers on these markets are mostly logistical and a new shipping strategy is required.

In order to answer to the second research question, a competitive environment and additionally international customers must have been examined. Observed competitive environment consists of competitors with elaborated communications mix which is visible principally on their websites and Social media. Second research question is answered at the end of the analytical part, suggesting what the best product/market fit for selected markets is.

Based on theoretical models, results from questionnaires, cluster analysis, and the analysis of a competitive environment, a premise for defining international target audience is, that customers with similar behavior choose similar brands. Therefore, customers who have selected Veneo on a Czech marketplace would, according to this strategy, select Veneo on foreign markets. The priority of this strategy is a speed of implementation, so only two

segments with the largest Veneo market share were selected in order to keep customer-centered approach and desirably, create an effective communications plan. Selected segments are men who represent loyal customers with high expectations, and women who often shop online but they search for product and price fit.

The aim of the last project part, was to suggest an online international market-entry strategy and to create a plan of implementation with developed time framework, detailed checklist, and expected results and objectives.

Suggested strategy presents concrete ways of what the product should be to selected target markets. That includes, what product lines should be introduced for each segment, in what way products should be presented, and at what price should be introduced. Furthermore, suggested strategy describes at what channels Veneo should display its products internationally (search engines, Social media, etc.) and in what way they should be introduced on these channels (display and text paid advertising, and so on).

Main objective of this thesis was fulfilled and the company's position on a Czech online marketplace and the attitude of existing customers was analyzed in order to examine current product/market fit. Further research objective was as well followed and a foreign online marketplace was evaluated and the online go-to-market strategy for foreign markets was proposed.

The thesis itself gave me understanding of certain theoretical concepts that are useful for startup projects as well as for developing market-entry strategies. The analytical part was a complex set of analyses that helped me to get data in an interesting way (especially the cluster analysis) and see results behind numbers. Segments and suggested strategy will be useful mainly for company Veneo that is willing to use this strategy and enter foreign markets.

A project planning with time framework and checklists can be seen as weaker areas of the thesis. These parts deserve to be detailed and more elaborated. Another area that requires more attention, is the research of international customers. In the thesis it was only as an additional source of information but it would be interesting to study international customers in greater detail.

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## LIST OF ABBREVIATIONS

PPC – Paid per click

CPC – Cost per click

CPM – Cost per Mille

CPL – Cost per Like

CTR – Click through rate

CAC – Customer per acquisition

CPA – Cost per acquisition, cost per action

SERP – Search engine results page

SE – Search engine

SEO – Search engine optimization

PSA – Paid Search Advertising

ROI – Return on Investment

ROAS – Return on Advertising Spending

B2B – Business-to-Business

B2C – Business-to-Consumer

C2C – Consumer-to-Consumer

C2B – Consumer-to-Business



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## **APPENDICES**

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APPENDIX P II: ETSY REVIEWS

APPENDIX P III: ONLINE PERFORMANCE

APPENDIX P IV: ANALYTICS VENEVO ACQUISITION

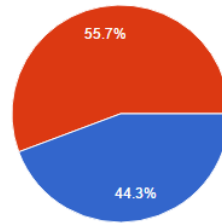
APPENDIX P V: CLUSTER ANALYSIS

APPENDIX P VI: SEMI-STRUCTURED INTERVIEWS

# APPENDIX P I: RESEARCH, EXISTING CUSTOMERS 2017

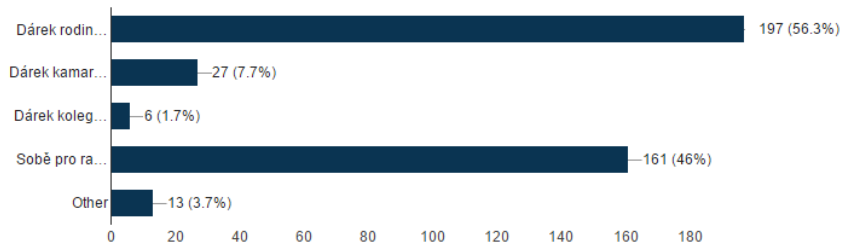
## Jak nás vnímáte? (část 1 z 5)

### 1. Jak dobře znáte Veneo? (350 responses)

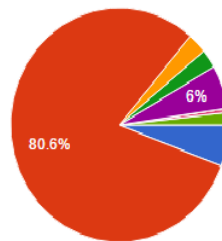


- Vícekrát jsem nakoupil/a produkty Veneo
- Pouze jednou jsem nakoupil/a produkt Veneo
- Už jsem o značce slyšel/a, ale nekoupil/a jsem žádný produkt ani nevyužil/a jejich služeb
- Nikdy jsem o značce neslyšel/a

### 2. Komu jste šperk či doplněk Veneo koupili? (350 responses)



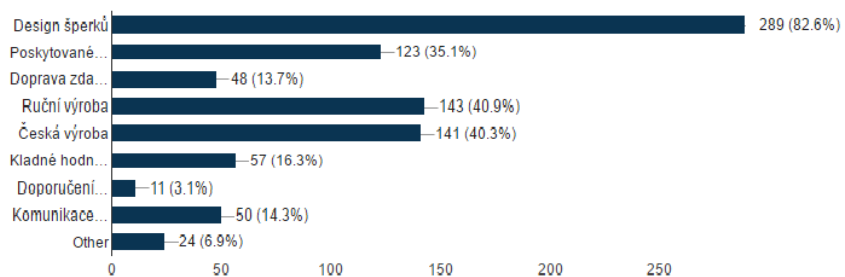
### 3. Jak jste se o Veneo poprvé dozvěděli? (350 responses)



- Doporučení (známí, kolegové z práce, rodina...)
- Internetový vyhledávač (Seznam, Google...)
- Sociální sítě (Facebook, Pinterest...)
- Srovnávač zboží (Heurékia.cz, Zbo...)
- Flír.cz nebo Etsy.com
- E-mailem (Newsletter)
- Nevzpomínám si
- Other

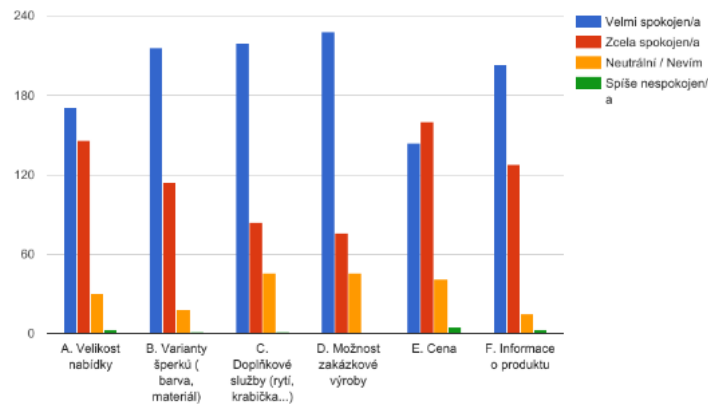
### 4. Co pro Vás bylo rozhodující pro nákup? (označte max. 3 možnosti)

(350 responses)

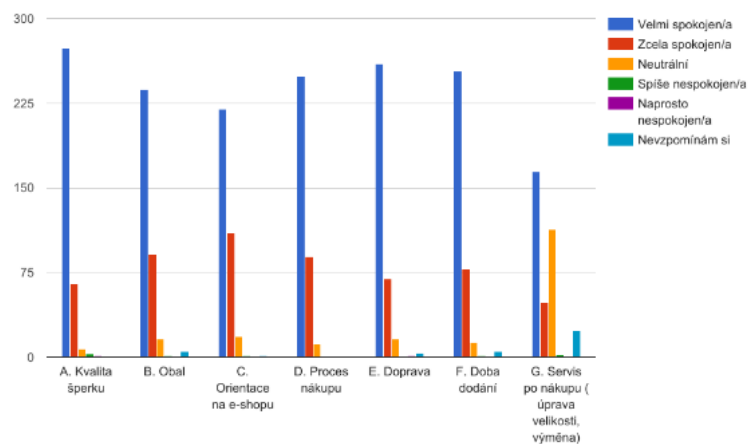


## Jak hodnotíte naše služby a produkty? (část 2 z 5)

### 5. Jak hodnotíte naše produkty?

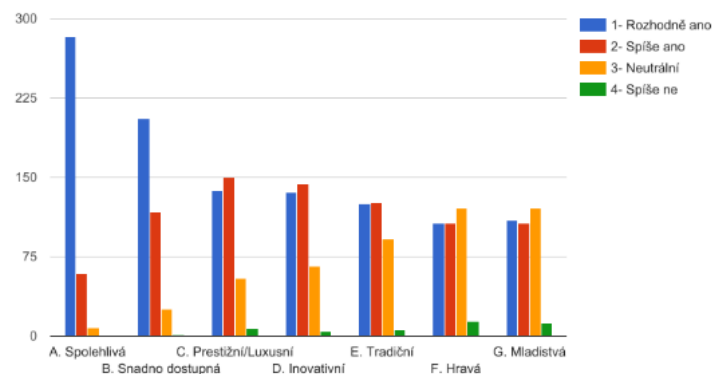


### 6. Jak jste byli spokojeni s posledním nákupem?

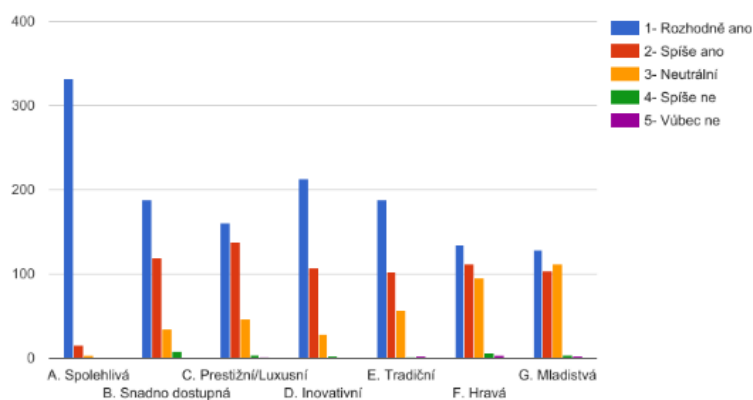


## Kam se můžeme v budoucnu posunout? (část 3 z 5)

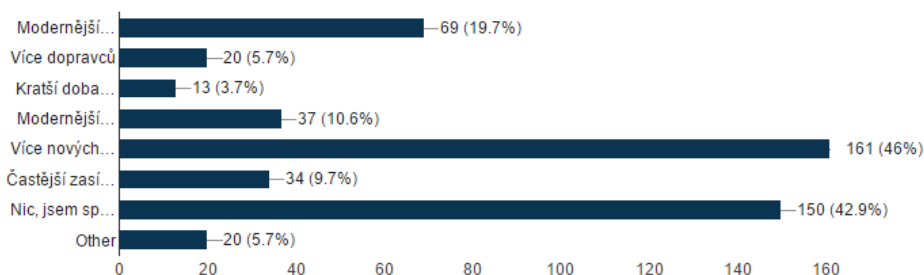
### 7. Veneo je značka...



8. Co by podle Vás měla představovat ideální značka, která prodává ručně vyrobené šperky?



9. Co očekáváte od Venea do budoucna? (350 responses)

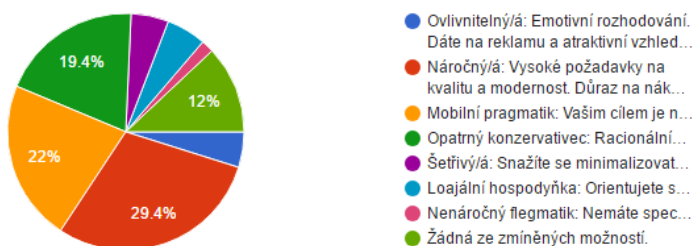


Něco o Vás... (část 4 z 5)

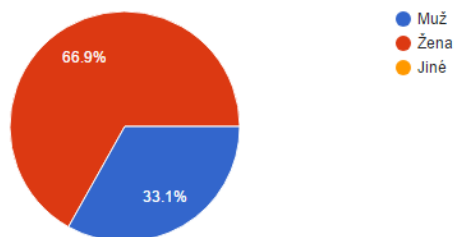
10. Nakupujete často na internetu? (350 responses)



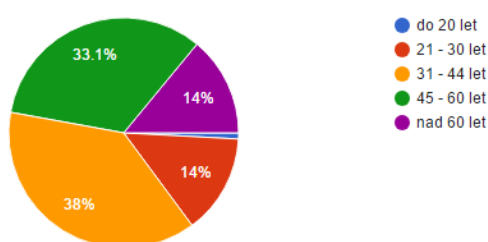
11. Co Vás nejlépe vystihuje? (350 responses)



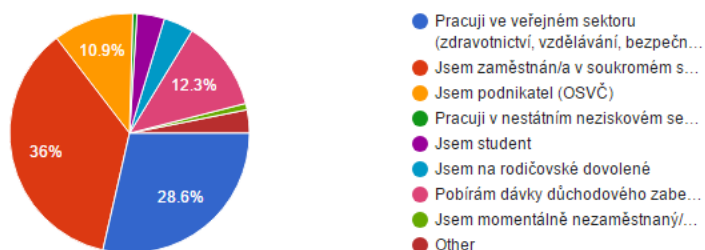
## 12. Pohlaví (350 responses)



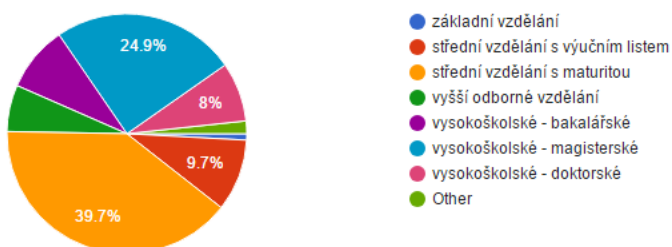
## 13. Věk (350 responses)



## 14. Jaké je Vaše povolání? (350 responses)



## 15. Jaké je Vaše nejvyšší dosažené vzdělání? (350 responses)



## **APPENDIX P II: ETSY REVIEWS**

*Carol, Apr 4, 2017*

“It is a nice and elegant ring. There was a problem with shipping that staff helped to sort out.”

*Trey, Mar 17, 2017*

“I ordered a ring on February 27th for my girlfriends birthday. It is now march 17th, I have still not seen the ring and the shipment tracker says it's still preparing to ship as of march 2nd to present. They are very slow and reaching out to me, I've contacted them twice now to figure this out and as far as I'm concerned it really seems more like a hoax and I got screwed because the customer service I have received is unreal, as in it is that awful. I hope someone sees my review and saves the hassle by ordering from somewhere that can actually get you the product they sell you.”

*Coron, Apr 4, 2015*

“I am resubmitting my review as I have since received my order. The earrings are beautiful and a great buy. I had previously submitted a negative review due to the amount of time that had passed since I had ordered this item and I hadn't received it yet. This occurrence was due to inclement weather here in the U.S. that had stalled delivery, and was not due to anything the vendor did wrong. He has actually allowed me to keep these beautiful earrings free of charge because of the inconvenience. Because of the vendor's graciousness, I am ordering 2 more items and I'm sure they will be just as beautiful as the Amethyst earrings. I would highly recommend this vendor and the earrings. The only reason for 4 stars instead of 5 is because of the delivery time, but, aside from that, it was a great experience.”

*Jwm, Jan 6, 2015*

“Taken 30 days to get here,Chicago, Also sent the wrong size order 6 got 8. Had jeweler place ring sizer to reduce it (cost \$10). Love the ring.”



## APPENDIX P III: ONLINE PERFORMANCE

Ecommerce Conversion Rate, 1<sup>st</sup> Quarter 2017, Veneo, Google Analytics

Default Channel Grouping	Ecommerce Conversion Rate ▼↓	Sessions
	<b>1.09%</b> Avg for View: 1.09% (0.00%)	<b>24,340</b> % of Total: 100.00% (24,340)
1. ■ Social	<b>2.97%</b>	1.66%
2. ■ Direct	<b>2.88%</b>	13.28%
3. ■ Referral	<b>1.78%</b>	6.70%
4. ■ Paid Search	<b>0.97%</b>	20.29%
5. ■ Organic Search	<b>0.61%</b>	53.31%
6. ■ Email	<b>0.46%</b>	0.89%
7. ■ Display	<b>0.37%</b>	3.36%
8. ■ (Other)	<b>0.00%</b>	0.51%

## APPENDIX P IV: ANALYTICS VENEVO ACQUISITION

Default Channel Grouping	Date Range	Sessions	% New Sessions	New Users	Bounce Rate	Pages / Session	Avg. Session Duration	Ecommerce Conversion Rate
Organic Search	Jan 1, 2017 - Mar 27, 2017	12989	72.95%	9476	48.11%	5.50	171.53	0.61%
Organic Search	Jan 1, 2016 - Mar 27, 2016	14093	70.83%	9982	44.13%	6.37	203.97	0.65%
Paid Search	Jan 1, 2017 - Mar 27, 2017	4944	72.37%	3578	40.33%	6.55	169.97	0.97%
Paid Search	Jan 1, 2016 - Mar 27, 2016	4839	56.58%	2738	42.59%	6.87	189.54	0.83%
Direct	Jan 1, 2017 - Mar 27, 2017	3240	66.27%	2147	47.56%	5.94	236.07	2.87%
Direct	Jan 1, 2016 - Mar 27, 2016	2601	64.36%	1674	42.14%	7.16	257.44	2.38%
Referral	Jan 1, 2017 - Mar 27, 2017	1634	34.58%	565	46.33%	6.24	208.73	1.77%
Referral	Jan 1, 2016 - Mar 27, 2016	2325	72.47%	1685	54.28%	5.78	207.91	1.03%
Display	Jan 1, 2017 - Mar 27, 2017	820	6.46%	53	57.07%	5.78	151.59	0.37%
Display	Jan 1, 2016 - Mar 27, 2016	800	4.00%	32	69.75%	4.31	97.13	0.38%
Social	Jan 1, 2017 - Mar 27, 2017	404	55.45%	224	46.29%	5.49	266.67	2.97%
Social	Jan 1, 2016 - Mar 27, 2016	229	69.43%	159	56.33%	4.02	169.97	2.62%
Email	Jan 1, 2017 - Mar 27, 2017	217	36.87%	80	24.42%	9.39	373.78	0.46%
Email	Jan 1, 2016 - Mar 27, 2016	33	6.06%	2	54.55%	3.61	122.21	3.03%
(Other)	Jan 1, 2017 - Mar 27, 2017	125	64.00%	80	22.40%	11.00	262.90	0.00%
(Other)	Jan 1, 2016 - Mar 27, 2016	2	50.00%	1	0.00%	2.50	16.50	0.00%
	Jan 1, 2017 - Mar 27, 2017	24373	66.48%	16203	46.27%	5.90	185.47	1.09%
	Jan 1, 2016 - Mar 27, 2016	24922	65.30%	16273	45.51%	6.40	203.25	0.91%



Co bylo rozhodující pro nákup?					
%	1	2	3	4	5
Design šperků	<b>86,92%</b>	<b>73,75%</b>	<b>90,91%</b>	<b>91,11%</b>	<b>77,65%</b>
Poskytované služby	<b>43,92%</b>	<b>33,75%</b>	24,24%	6,67%	<b>44,71%</b>
Doprava zdarma	11,21%	11,25%	18,18%	42,22%	2,35%
Ruční výroba	<b>52,34%</b>	28,75%	39,39%	<b>66,67%</b>	24,71%
Česká výroba	32,71%	<b>41,25%</b>	<b>48,48%</b>	<b>71,11%</b>	<b>31,76%</b>
Kladné hodnocení	22,43%	13,75%	15,15%	8,89%	16,47%
Doporučení známých	8,41%	0%	9,09%	0,00%	1,18%
Komunikace se zákazníkem	10,28%	7,50%	<b>51,52%</b>	8,89%	12,94%
<b>Celkový součet Respondentů</b>	<b>107</b>	<b>80</b>	<b>33</b>	<b>45</b>	<b>85</b>

Komu jste šperk Veneo koupili?					
%	1	2	3	4	5
Dárek rodinnému	<b>75,70%</b>	<b>100,00%</b>	<b>100,00%</b>	6,67%	0,00%
Dárek kamarádovi	17,76%	1,25%	12,12%	2,22%	4,71%
Dárek kolegovi/koležince	1,87%	0,00%	3,03%	2,22%	2,35%
Sobě pro radost	2,80%	2,50%	<b>87,88%</b>	<b>100,00%</b>	<b>96,47%</b>
Přítel/přítelkyně, přítelkyně	8,41%	0,00%	0,00%	0,00%	0,00%
<b>Celkový součet Respondentů</b>	<b>107</b>	<b>80</b>	<b>33</b>	<b>45</b>	<b>85</b>

Co Vás nejlépe vystihuje?						
Počet z 34	5klastrů					Celkový součet
34	1	2	3	4	5	
Ovinitelný/á: Emotivní rozhodování. Dáte na reklamu	1,87%	7,50%	9,09%	0,00%	7,06%	4,86%
Náročný/á: Vysoké požadavky na kvalitu a modernost	<b>32,71%</b>	<b>18,75%</b>	<b>36,36%</b>	<b>44,44%</b>	<b>24,71%</b>	29,43%
Mobilní pragmatik: Vaším cílem je najít vhodný produkt	25,23%	<b>26,25%</b>	<b>27,27%</b>	6,67%	<b>20,00%</b>	22,00%
Opatrný konzervativce: Racionální rozhodování, s ohledem na rozpočet	<b>31,78%</b>	<b>12,50%</b>	12,12%	<b>17,78%</b>	14,12%	19,43%
Šetřivý/á: Snažíte se minimalizovat výdaje; nakupujete jen to, co potřebujete	1,87%	<b>12,50%</b>	0,00%	6,67%	3,53%	5,14%
Loajální hospodyňka: Orientujete se na sociální status a kvalitu	0,93%	10,00%	6,06%	2,22%	8,24%	5,43%
Nenáročný flegmatik: Nemáte speciální nároky. Ceníte si na spolehlivost	1,87%	0,00%	0,00%	6,67%	1,18%	1,71%
Žádná ze zmíněných možností.	3,74%	<b>12,50%</b>	9,09%	15,56%	<b>21,18%</b>	12,00%
<b>Celkový součet</b>	<b>100,00%</b>	<b>100,00%</b>	<b>100,00%</b>	<b>100,00%</b>	<b>100,00%</b>	<b>100,00%</b>

Veneo je značka: Spolehlivá						
Průměr z 18	5klastrů					Celkový součet
18	1	2	3	4	5	
Rozhodně ano	1	1	1	1	1	1
Spíše ano	2	2	2	2	2	2
Neutrální	3	3	3	3	3	3
<b>Celkový součet</b>	<b>1,28</b>	<b>1,24</b>	<b>1,12</b>	<b>1,20</b>	<b>1,15</b>	<b>1,21</b>

Veneo je značka: Snadno dostupná						
Průměr z 19	5klastrů					Celkový součet
19	1	2	3	4	5	
Rozhodně ano	1	1	1	1	1	1
Spíše ano	2	2	2	2	2	2
Neutrální	3	3	3	3	3	3
Spíše ne			4			4
<b>Celkový součet</b>	<b>1,59</b>	<b>1,46</b>	<b>1,39</b>	<b>1,51</b>	<b>1,42</b>	<b>1,49</b>

Veneo je značka: Prestižní / Luxusní						
Průměr z 20	5klastrů					Celkový součet
20	1	2	3	4	5	
Rozhodně ano	1	1	1	1	1	1
Spíše ano	2	2	2	2	2	2
Neutrální	3	3	3	3	3	3
Spíše ne	4			4	4	4
<b>Celkový součet</b>	<b>1,93</b>	<b>1,89</b>	<b>1,45</b>	<b>1,87</b>	<b>1,66</b>	<b>1,80</b>

Veneo je značka: Inovativní						
Průměr z 21	5klastrů					
21	1	2	3	4	5	Celkový součet
Rozhodně ano	1	1	1	1	1	1
Spíše ano	2	2	2	2	2	2
Neutrální	3	3	3	3	3	3
Spíše ne	4	4		4	4	4
Celkový součet	1,85	1,98	1,48	1,89	1,74	1,82

Veneo je značka: Tradiční						
Průměr z 22	5klastrů					
22	1	2	3	4	5	Celkový součet
Rozhodně ano	1	1	1	1	1	1
Spíše ano	2	2	2	2	2	2
Neutrální	3	3	3	3	3	3
Spíš ne	4		4	4	4	4
Vůbec ne	5					5
Celkový součet	2,07	1,96	1,79	2,02	1,81	1,95

Veneo je značka: Hravá						
Průměr z 23	5klastrů					
23	1	2	3	4	5	Celkový součet
Rozhodně ano	1	1	1	1	1	1
Spíše ano	2	2	2	2	2	2
Neutrální	3	3	3	3	3	3
Spíše ne	4	4		4	4	4
Vůbec ne	5					5
Celkový součet	2,23	2,14	1,82	2,11	2,12	2,13

Veneo je značka: Mladistvá						
Průměr z 24	5klastrů					
24	1	2	3	4	5	Celkový součet
Rozhodně ano	1	1	1	1	1	1
Spíše ano	2	2	2	2	2	2
Neutrální	3	3	3	3	3	3
Spíše ne	4	4	4		4	4
Vůbec ne	5					5
Celkový součet	2,34	2,09	1,64	2,00	2,09	2,11

Ideální značka: Spolehlivost						
Průměr z 25	5klastrů					
25	1	2	3	4	5	Celkový součet
Rozhodně ano	1	1	1	1	1	1
Spíše ano	2	2	2	2	2	2
Neutrální	3			3		3
Celkový součet	1,10	1,01	1,06	1,13	1,01	1,06

Ideální značka: Snadná dostupnost						
Průměr z 26	5klastrů					
26	1	2	3	4	5	Celkový součet
Rozhodně ano	1	1	1	1	1	1
Spíše ano	2	2	2	2	2	2
Neutrální	3	3	3	3	3	3
Spíše ne	4	4			4	4
Celkový součet	1,87	1,60	1,48	1,53	1,38	1,61

Ideální značka: Luxus/Prestiž						
Průměr z 27	5klastrů					
27	1	2	3	4	5	Celkový součet
Rozhodně ano	1	1	1	1	1	1
Spíše ano	2	2	2	2	2	2
Neutrální	3	3	3	3	3	3
Spíše ne	4	4		4		4
Vůbec ne	5					5
Celkový součet	1,78	1,80	1,48	1,69	1,61	1,70

Ideální značka: Inovativnost						
Průměr z 28	5klastrů					
28	1	2	3	4	5	Celkový součet
Rozhodně ano	1	1	1	1	1	1
Spíše ano	2	2	2	2	2	2
Neutrální	3	3	3	3	3	3
Spíše ne	4	4				4
Celkový součet	1,60	1,50	1,30	1,44	1,41	1,48

Ideální značka: Tradice						
Průměr z 29	5klastrů					
29	1	2	3	4	5	Celkový součet
Rozhodně ano	1	1	1	1	1	1
Spíše ano	2	2	2	2	2	2
Neutrální	3	3	3	3	3	3
Spíše ne				4		4
Vůbec ne	5					5
Celkový součet	1,73	1,64	1,52	1,64	1,61	1,65

Ideální značka: Hravost						
Průměr z 30	5klastrů					
30	1	2	3	4	5	Celkový součet
Rozhodně ano	1	1	1	1	1	1
Spíše ano	2	2	2	2	2	2
Neutrální	3	3	3	3	3	3
Spíše ne	4			4	4	4
Vůbec ne	5				5	5
Celkový součet	2,18	1,91	1,48	1,89	1,91	1,95

Ideální značka: Mladistvost						
Průměr z 31	5klastrů					
31	1	2	3	4	5	Celkový součet
Rozhodně ano	1	1	1	1	1	1
Spíše ano	2	2	2	2	2	2
Neutrální	3	3	3	3	3	3
Spíše ne	4			4	4	4
Vůbec ne	5				5	5
Celkový součet	2,25	1,95	1,45	1,93	1,95	1,99

Co čekáte od Venea do budoucna?					
%	1	2	3	4	5
Modernější design	14,95%	17,50%	<b>33,33%</b>	20,00%	<b>32,76%</b>
Více dopravců	4,67%	3,75%	18,18%	6,67%	4,71%
Kratší doba dodání	2,80%	6,25%	9,09%	2,22%	2,35%
Modernější eshop	16,82%	11,25%	3,03%	2,22%	8,24%
Více nových produktů	<b>45,79%</b>	<b>28,75%</b>	<b>57,58%</b>	<b>51,11%</b>	<b>55,29%</b>
Častější zasílání	4,67%	11,25%	21,21%	8,89%	10,59%
Nic, jsem spokojen	<b>42,99%</b>	<b>53,75%</b>	<b>33,33%</b>	<b>40,00%</b>	<b>37,65%</b>
<b>Celkový součet Respondentů</b>	<b>107</b>	<b>80</b>	<b>33</b>	<b>45</b>	<b>85</b>

## **APPENDIX P VI: SEMI-STRUCTURED INTERVIEWS**

Hi, My name is Pavlina and I'm doing research for the Czech family business Veneo about the online international jewelry market.

It will be a great help if you provide me with your comments and your perspective to this topic. You don't need to be an expert in a field, just your opinion matters.

It will take you only a couple of minutes.

Thank you very much!

- 1. Please introduce yourself (Name, Age, Occupation, Residence...)**
- 2. Do you often shop online? Do you buy jewellery online?**
- 3. To whom do you usually buy jewellery?**
- 4. What matters the most to you, when it comes to online shopping?**
- 5. Any comments, notes...**

**Competition:** *Please open the following links (in a new window - right click) and tell me what you like and dislike about each website/e-shop? (you can talk about orientation on the website, price, information, design, and so on.)*

- a. Link 1: Blue Nile**
  - b. Link 2: Gemporia**
  - c. Link 3: Opals Australia**
  - d. Link 4: QP Jewellers**
  - e. Link 5: Anne Sisteron**
- 
- 6. Any comments, notes...**

**Resp. 1.**

1. Kimberly, 43, teacher, Portland, Oregon, USA
2. Sometimes. Yes, I did.
3. My mom, sister or friends and myself.
4. Guaranteed that it will arrive and that I will receive the package.
5. –
  - a. Easy to navigate and find what I wanted to look at. Attractive jewelry that made we want to look at more jewelry.
  - b. Harder to find what I liked and not as easy to use.
  - c. Good price. Page was not as easy to use and jewelry didn't look very quality.
  - d. I liked the site and found it easy to use. The colors and styles appealed to me and made want to look more. Had a large variety to choose from.
  - e. Expensive but it looked quality. Large variety to choose from and I liked that you could shop by price.

**Resp. 2.**

1. My name is Reinhard, i'm 26 years old and from Austria
2. I definitely very often shop online, 80% except food and jewellery
3. for my girlfriend or myself
4. because i save time and the article comes directly to my house on the next day
5. it's very bad for the economy because the money doesn't stay in austria when i shop at amazon
  - a. the website and the design is very good! but the articles i don't like ;)
  - b. the colors of the website are not my type of taste, i wouldn't buy something from this page
  - c. this homepage looks clear, serious, good design, good fonts and very compact
  - d. as man i would say this website is built for women because of the colors.....the design and the product presentation is completely ok
  - e. the last one looks most professional homepage of all.....i don't know all these brands of jewellery ;) but the design, the colors, the information, the overview is ok!



### **Resp.3.**

1. Sarah, 32, work in media production, French but living in Prague
2. Often
3. To my friends for their birthday
4. We can never be sure of the size, if it fits before receiving it
5. -
  - a. Nice, clear, but too "commercial", really looks like a website to buy cheap clothes.... And too white, clinical
  - b. I don't like the colors (purple and this blue), but it's better than the one before, clear with all the categories needed to find easily what you want
  - c. The products are almost not shown, just 3 pictures of the new arrivals but it's not really clear to understand where to search
  - d. BIG and NICE pictures, COOL !
  - e. This one is my favorite regarding the pictures (having someone who wear the products is much better because we have a scale), colors, design, but it's not really clear when we want to search for a specific product
6. For me, the best would be to mix 2 website : QP Jewellers (for search and categories) and Anne Sisteron (for the type of pictures and colors)

### **Resp.4**

1. Veronika, 25, working in advertising, Slovakia
2. I often shop online, yet rarely for jewellery
3. Myself, family
4. Convenience - if the brand has no local shop in the town I look up products online; easy overall shopping process, good quality product photos, delivery costs...
5. -
  - a. Website design evokes luxury yet somehow feels cold, I would prefer colours and if they showed products how they look on human body. Good orientation on the website, prices are reasonable, I like the free shipping option on every order.

- b. Landing page of the website seems a little overcrowded with information, I do not like the colour combination. The subpages look good though, good orientation, nice photos and design. The product photos should be bigger.
- c. Beautiful products! Also good orientation. Generally I like the web, only if the photos were bigger.
- d. I like absolutely everything about this web! It is simple and colour-coordination orientation among the products works really well for me.
- e. Products design, website layout, logo, font, even orientation looks good to me. Instagram and Meet the designer section is an added value compared to other web sites.

**Resp.5.**

1. Margarita, 23, student, Russia
2. I do shopping online, and sometimes I buy jewellery online
3. family and friends
4. To be sure that i get what i want
5. -
  - a. easy navigation, nice design, many categories to choose
  - b. don't like the design of the website, but good categories and easy navigation
  - c. the text is too small, boring design
  - d. very good categorisation, awesome pleasant design, big pictures, the best website of all this 5 links.
  - e. luxurious shop, prices are too high for a middle class.