



FACULTY OF LEGAL SCIENCES
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**“INTERNATIONAL E-MARKETING MANAGEMENT PROPOSAL APPLIED
TO THE COMPANY CERAMICA ALFARERO TROUGH B2C (BUSINESS TO
CONSUMER) MODEL”**

Work prior to the obtaining of a Bachelor of International Studies degree, major in
Bilingual International Trade

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DEDICATORY

To my parents, Carlos and Ana María

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SUMMARY

This thesis is an investigation of various types of E-Marketing strategies that best fit the company *Cerámica Alfarero* through the B2C (Business to Consumer) model. First, I analyze some strategies associated with the industrial sector. Second, I review the structure of the company and its history, production levels, number of employees, and other important aspects.

Also, the micro and macro environments of the company, how it is organized, opportunities or disadvantages from the political, social, and technological environment of Ecuador are analyzed. An economic, political, social, and technological analysis of the handicrafts industry in the United States is done to see how feasible it would be to export to this country. Finally, I outline what E-marketing strategies would be the most suitable to be implemented by *Cerámica Alfarero* in order to attract potential customers.

A quantitative and qualitative analysis, through various sources such as journal articles, books, documents, newspapers, websites, among others, was required to perform this research. Several interviews were conducted with the owner of *Cerámica Alfarero*, in order to satisfactorily propose the application of an appropriate e-marketing strategy for their products in the American market.

INTRODUCTION

Over the years, marketing has become very important for creating negotiation strategies to reach the customer so that he or she can appreciate the value of the product or service offered. However, times have changed and how to advertise a product or service has also changed and continues to do so today. We live in a globalized world where trends and consumer tastes change constantly; this is due to advances in technology, fashion, medicine, etc. It is for this reason that marketing has evolved and has adapted according to the needs and tastes of consumers. (Direct Marketing, 2013)

We know that with the advancement of technology and globalization people feel more a need than ever to understand current trends, i.e. what is currently happening in the world. The fastest way to find this information is the internet, and it is for this reason that E-Marketing has emerged. E-Marketing uses the internet as its main tool to prospect for, hold, and form permanent customer strategies. (Bab Software, 2014)

A few strategies within E-Marketing are: PPC (Pay per Click), SEO (Search Engine Optimization), Online Advertising, Viral Marketing, etc. The advantage of using E-Marketing is intermediaries are not needed to handle companies marketing strategies, in other words, anyone can market their goods and services online.

Cerámica Alfarero, a ceramic production company, has realized that foreigners most appreciate handmade products and even more so when it is unique and of good quality. For this reason, they have seen the need for their product to meet all the above mentioned characteristics, in order to reach an international market. As such, I have chosen the United States as a country of analysis because its inhabitants have a particular taste in regard to crafts, especially if they are handmade. In addition, many of *Cerámica Alfarero*'s clients have been Americans visiting Ecuador who then take the merchandise back to their homes in the United States.

CHAPTER I

E- MARKETING AND ITS STRATAGIES

1.1 E- Marketing

1.1.1 Definition of e-marketing

E-marketing, also known as online marketing, can be defined as the application of marketing techniques through the internet in order to reach a specific audience, i.e. a defined target for which certain strategies are needed for the company to comercialize its brand through the web. These strategies are nothing more than digital tools that help promote products, goods, or services on the web more quickly and efficiently.

Thanks to a variety of strategies and tools provided by e-marketing, direct, as well as indirect, marketing can be done using different technologies that create a relationship between the company and its clientes. Also, e-marketing manages all activities of a company through the internet in order to reach the world faster and thus do business, as well as acquire and retain customers through the development and growth of its brand identity. (Quirk E-m.)

1.1.2 E-marketing and its contribution to trade today

One could say that marketing has been around forever, perhaps unconsciously, but since ancient times any property or object that humans exchanged needed some publicity, at least in a verbal way. However, for several decades, advertising has become one of the most powerful industries worldwide. Today's economy requires companies to adopt good advertising strategies so they can compete on a more complex level and gain higher profits. Investment in advertising is necessary for all types of companies; because through proper advertising they can define their position in any given area.

In addition, advertising strategies have evolved over time to better benefit enterprises worldwide; these developments have been based on innovation and creativity that all industrial sectors require. Because of this, e-marketing has taken on a role of great importance in recent years because competition has become much tougher.

Internet marketing began around 1990 as simple websites which only offered product information by text, without other advertising tools on the internet. Later, with the advancement of the internet, e-marketing evolved with it; no longer based solely on product notifications or text services; rather it included advertisements complete with graphics, images, sound, and more. (Graphic, 2013)

For several years, the internet has established itself as an essential means of communication for most people around the world. The internet, being an interactive medium, has made it easier to find out preferences, consumer trends, personalized information to customers, etc. Thus, e-marketing has emerged thanks to this valuable tool; so, one can see the great progress that has been made as apposed to traditional marketing; i.e. using papers, brochures, pamphlets, etc. E-marketing does everything virtually; therefore, one could say that e-marketing is simply the application of marketing principles in a virtual space. Furthermore, through the internet, many businesses have become more viable, since they have been based on more effective parameters to reach their customers; which has facilitated global trade and the inclusion of several companies within the existing competition.

Similarly, internet marketing is one of the most popular, cutting-edge companies of our time as it facilitates the acquisition of leads with minimal investment compared to traditional marketing options. Also, one can begin a campaign with only the click of a button and almost immediately get the attention of customers, along with the option of making updates and changes without any major difficulty. With measuring tools, one can see if campaigns are paying off in order to know what strategy to implement, or stop, in order to achieve the best results. One could say that one of the main objectives of e-

marketing focuses on direct contact with customers through suitable strategies, thereby gaining greater advantage over their competitors. (Alvarado, 2010, pg. 6)

1.1.3 Benefits of e-marketing over traditional marketing

1.1.3.1 Scope

Today, there are no longer borders online; now, companies using the internet have gained a unique global reach, more than any other tool obtainable. With e-marketing, new avenues for small businesses on a tight budget can now have access to potential customers around the world. Today, obtaining a customer, irrespective of his/her origin, is less expensive and takes less time compared to traditional methods. However, e-marketing is not just about reaching as many customers as possible, but rather the quality of the customer. When launching any advertisement or product online, one must not only take into account the type of language used but also the culture being reached, as each culture is different. (Direct Marketing, 2013)

1.1.3.2 Segmentation

Segmentation refers to a group of customers with similar profiles that contain the same type of features, in order to implement a differentiated strategy that satisfies each set of customer's needs in the most efficient manner. According to Ada Gabriela Leyva, a segment is a homogeneous group of consumers regarding desires, preferences, purchases, or similar lifestyles in the same segment they belong to. This segment requires that the company offer a certain product or service to the customer more efficiently than the competition through appropriate marketing strategies. However, segmentation requires an extensive knowledge of the conduct, or other important characteristics, of the clients; as well as finding ways to retain the customers using marketing strategies that suit their interests. Thus, the internet has made segmentation

easier to execute, because the speed at which an audience is reached cannot be surpassed by any other medium. (Leyva, 2011)

1.1.3.3 Ubiquity

In traditional commerce it is necessary to have a physical location to serve customers. However, e-commerce does not require any physical location since it is available anywhere in the world at all times, making it easier by allowing customers to shop from home, at work, or on the road with a smart phone. The advantage of not being restricted to a physical space is that transaction costs are reduced and customers do not have to worry about going to the place where the product is housed, rather they can acquire it by the click of a mouse.

1.1.3.4 Interactivity

The new era of the internet has enabled businesses to overcome barriers of communication with consumers. Considering television and newspapers cannot ask their audience questions, electronic marketing permits a conversation between the company and its consumers in a more timely and dynamic way. Through this, companies can stay up-to-date on the concerns and questions from their consumers and thus facilitate quick responses, which lead to a stronger and more reliable relationship. (Laudon & Traver, 2010)

1.1.3.5 Immediacy

Today, thanks to the internet, e-marketing strategies can reach any part of the world with amazing speed creating an immediate impact; that is, the consumer only needs to pay attention to a certain product or service that is offered on the web and acquire it with a single click; and because internet service is unlimited, this means that it is available to users 24/7, 365 days a year. (Quirk E-m.)

1.1.3.6 Virality

Since e-marketing can virtually reach hundreds of consumers immediately it is important that the message, product, or service offered be high quality and attract the attention of consumers. For a message to go viral, meaning it is spread and shared with many people, it should be a message that captivates the user and catches their attention. The message should also create a desire for the user to share the message with their friends, family, acquaintances, etc. Thus, the shared message will reach a larger circle, eventually reaching the largest number of potential customers. (Direct Marketing, 2013)

1.1.3.7 Closed Curve

Closed curve marketing requires an analysis and outcome measurement of marketing strategies. If constant and continuous monitoring of the results of a campaign is performed, the company can make more dynamic actions to better suit the needs of consumers.

The advantage of e-marketing is that one can have control over the consumer responses in real time and therefore campaigns can be constantly revised. As a result, there will be less spending on advertising that does not have a positive effect on customers and an increase in the return on investment from the company will be seen. (Quirk E-m.)

1.1.4 Marketing and its strategies in the new era of internet

Engaging in business today requires a new and innovative plan for marketing strategies and practices, especially since many businesses today are governed by the internet.

Scholars of this issue state, “thanks to new technologies, especially the internet, the corporation is undergoing a radical transformation that is virtually a new industrial revolution. To survive and thrive in this century, managers will have to adopt a completely new set of rules. The corporation of the 21st century must adapt to web administration.” (Kottler & Armstrong, 2003)

In recent decades, the internet has held a very strong position; thus, companies have been forced to implement tools to compete in this area, which is much more beneficial in economic terms. Several marketing strategies increasingly focus on sales involving direct electronic connections between companies and customers. For this reason, many companies not only seek to be immersed in the electronic world with their advertising, but once this is done, they want to provide the best possible services to their consumers with respect to speed, price, comfort, information, and everything else related to the products or services that are offered by companies on their websites.

Within online marketing, *iLifebelt* proposes four parameters that are of fundamental importance, which must be taken into full consideration before implementing an internet advertising campaign. These are:

- 1. Usability:** The effectiveness with which the customer provides the required service; i.e. companies must publish web sites that are usable enough for even a child or an older adult.
- 2. Interface:** Businesses should design a website that shows new products or services promoted by the company. Hence, the customer will be attracted to the product/service, as well as the information about the product/service.
- 3. Search Engines:** Those who organize information on the internet. Those who wish to advertise through a search engine can do it through the SEO system; organically (natural positioning system) or through SEM - a system in which one pays to appear in the results, such as pay per click or affiliate marketing.
- 4. Promotion:** This is usually done through direct channels of Internet advertising, such as: email-marketing, E-advertising in banners, Social Media Marketing which works through blogs, or social networks like Twitter, Facebook, among others. (iLifebelt, 2010)

1.1.5 Operation of the B2C (Business to Consumer) model

Electronic commerce from a business to the customer, better known as “business to consumer,” is a type of online marketing which seeks to reach individual consumers through business models that peak the user’s interest; for example: portals, which provide users with tools to search the web for their interests. Online retail shops, known as E-Tailers, help users make purchases online without having to go to a physical space to do so. Another example of B2C is content providers which broadcast information such as news, music, photos, etc.

Transaction brokers are also found in this group, these are used for: bank payments, buying tickets, etc.; these transactions save the user money and time. There are also other online service providers like Google, who created Google Maps, Google Docs, and Gmail. (Laudon & Traver, 2010, pgs. 75-84)

1.2 E-Marketing Strategies

Within e-marketing there are several types of strategies that can be implemented, as long as they are used properly. The following are examples of some of these strategies.

1.2.1 Online Advertising

Online Advertising has grown to be the most common tool for marketing; it is necessary for organizations, companies, and institutions worldwide. According to Kenneth Laudon, in his book *E-Commerce*; in 2007, companies invested an estimated \$21.4 billion in online advertising and this has continued to increase in recent years. Advertisers now prefer to invest more money in this medium and are cutting spending on traditional advertising such as radio, television, newspapers, and more.

One of the reasons why online advertising has become more productive is because the audience is shifting more often than before to the Internet, especially those aged 18 to 34 years, as well as those over 65 years of age. There are many advantages to online advertising compared to traditional advertising, in that it is much cheaper; plus one can reach potential customers in real time. It also allows more interaction between the company and the consumer, and everything is much more measurable.

It is worth noting that online advertising is not intended to replace other types of traditional advertising such as television, radio, flyers, etc., rather it can perfectly complement other traditional means for best results. (Laudon & Traver, 2010)

1.2.2 Advertising Networks

In the early years of e-commerce, companies placed ads in the few popular websites that existed. However in early 2000, there were hundreds of thousands of specialized sites where one could put ads.

Advertising networks use massive databases that are updated and that sell opportunities to businesses that want to buy exposure to an online audience. Ad networks determine certain important aspects of audiences, such as age, demographic, and geographic location. Based on this data, advertising networks show ads consistent with the characteristics of the audience to which the contracting company has been asked to advertise their products or services.

The performance of ad networks starts with a contractor who requests a page from a member of that advertising network. Next, the ad server identifies the user through cookies that are on the hard drive of their computer and checks that the user profile is in its database. Following this, the ad server selects an appropriate banner as an advertisement, based on purchases made, like: demographics, interests, or other data that are in the same profile. The result of this is that each time the user logs on, and visits any

of the member sites of the network, the ad server will recognize the user and send the same ads, or other ads, regardless of the content of the site. (Laudon & Traver, 2010)

1.2.3 Permission Marketing

This strategy requires permission from consumers to accept promotions or for the advertiser to send information to the customer's email. By obtaining permission from consumers to send promotions, advertising, information messages, etc. it is much more likely that a relationship between the company and the client is formed.

However, many consumers need a push or incentive to read such advertising or promotional messages, and in some cases provide personal data in the network. For this reason some companies have decided to offer their customers special bonuses, awards, among other incentives, for completing detailed surveys to help them in their own marketing. (Laudon & Traver, 2010)

1.2.4 Affiliate Marketing

This strategy is handled through help from other websites. Operation is very simple because the company does not have to do publicity work; rather, affiliates are paid to put the company's ads on their websites. Thus the affiliate adds a link to the company website on their own site and encourages visitors to become customers. In some cases, members receive a commission on sales generated, in other cases affiliates receive a fee based on the number of visitors that the affiliate sent to the company's website.

One of the most widely known companies that use an affiliate system is eBay, which has over a million members that receive up to 10% on the sales generated by their referrals. However, affiliate marketing should be handled carefully as too many links that are not relevant to the main focus of a company may cause consumer confusion regarding the brand. Affiliate marketing works best when members select products or services on sites that are similar and complementary to their own business. (Laudon & Traver, 2010)

1.2.5 Viral Marketing through Web 2.0

Viral marketing is a strategy that encourages people to quickly convey a business message to others so that the message reaches many users. This is basically the online version of word-of-mouth advertising, this works through customer referrals to friends, family, colleagues, etc. These references are much less expensive to acquire as existing clients advertise for the company, therefore the cost of maintaining them is also very low. Consequently, the referred customers begin to generate profits for the company without investing money in them.

One of the ways viral marketing works is the incentives to new customers to send or share the site with their friends in order to receive discount coupons. Likewise, the person who receives the incentive to their friend will receive a discount coupon which will encourage them to share the site; this increases exponential. An example of viral marketing can be found on the website of Mr. Watch. When a user shares a purchase with friends, they receive a discount coupon. Then if said friend takes advantage of the discount and likewise tells a friend then the cycle continues, thus forming a viral chain. (Laudon & Traver, 2010)

1.2.6 Pay per Click

Pay-per-click is a very simple and effective advertising strategy that focuses on a group of users or specific target group. The way this is done is through the purchase of sponsored ads in search engines such as Google or Yahoo. These ads typically appear above or on the right side of normal organic listings.

One of the biggest advantages achieved by using pay-per-click is the system charges for advertising according to the results obtained, i.e. when the user clicks on the ad, the company will pay for it. The operation of this method consists of a bidding system; the highest bidder gets the highest number of ads.

However, the operation of this system must be constantly reviewed to ensure better performance results; the advertiser should use keywords that are commonly used by the target consumer. In this way, the better the targeted ad is, the higher the ROI. (Quirk E-m.)

1.2.7 Search Engine Optimization (SEO)

Currently there are billions of web pages, however it is not known exactly how many websites exist in the world. To assist the user in finding the information they need, search engines have become very popular and easy to use. When users enter a search term in Google, MSN Search, Yahoo, Ask.com, etc. these will produce two types of listings: sponsored links; ie, the ads which advertisers have paid for to appear and the second list are “organic” search results; that is, listings that were automatically placed in order according to the search engines algorithm; these are also called non-sponsored ads. According to Kenneth Laudon, search engine marketing has been one of the fastest growing systems; for example, in the United States about 70 million Americans use search engines, generating around 8 billion searches per month.

Depending on the company’s needs, it may choose from three types of search engines, such as: paid inclusion, keyword advertising, and contextual advertising.

1. **Paid Inclusion:** The search engine will include the website of the company in its list of search results in exchange for a set fee. As a result, the website will have more visits and will be given suggestions for improving organic search results. Paid inclusion ads are most visited thus the website is ranked in a better position in the organic results. Companies that do not want to pay for their inclusion generally appear far down the list and almost never are found in the first pages of search engines, resulting in commercial death.

2. **Keyword Advertising:** In this advertising system, advertisers buy keywords through an auction process in the search engines, then whenever a user searches for that word, their ad will appear in a section of the website, usually in a small ad on the right side of the site or on top of it. The higher paying advertisers receive greater visibility of their ads on the search engine.
3. **Contextual advertising:** In this case, the publishers of the websites are attached to the network and allow the search engine to place relevant ads on their sites; thus, the advertisers pay for the information to appear on the web. Once users start to click on the ad, the proceeds from the advertiser are divided between the search engine and the site editor, although sometimes the editor receives more than half.

Although the editor has no direct control over the ads displayed by the search engine, nor does he know for sure the location of the ad, the system analyzes the context of the ad and keywords to ensure that only appropriate and relevant ads appear on the search engine. It should be noted that the price of keywords varies from pennies to \$25 or more per click. (Laudon & Traver, 2010)

1.2.8 Email Marketing

Email marketing is a form of direct marketing which uses electronic media to reach potential customers through messages, announcements, and general advertising of their products or services. Although this strategy is one of the oldest it remains one of the most profitable and powerful because it requires a very low investment; it is also specific, customized, and measurable.

Although there is a great disadvantage in this system due to the existence of spam, which makes it difficult for users to receive advertisements of companies, email marketing continues having very obvious benefits. In a study by Jupiter Research, it was

concluded that investment in email marketing increased from \$885 million in 2005 to \$1.1 billion dollars in 2010. (Quirk, 2007)

According to Kenneth Laudon, spam is nothing but junk mail and spammers are individuals who send mass emails without permission and without users having expressed an interest in the product or service. Often spam is inappropriate content, scams, improper products, among others. Email marketing is very different because this is legal and appropriate content for users.

However, about 80 million Americans, and 600 million people worldwide, send emails daily. Thus, it is very feasible to continue using this system since for example the approximate cost per contact varies from \$ 0.05 to \$ 0.20 depending on how specific the required contact is. If this is true, email marketing is very doable for good customer relations but it is not advisable to use to attract new customers. (Laudon & Traver, 2010, pgs. 432-433)

1.2.9 Marketing on Social Networks

Some of the key elements of Web 2.0 are the rapid growth of user-generated content and use of the Internet to share and socialize with the rest of the world. According to Kenneth Laudon, one in four Internet users enter a social networking site at least once a month, with approximately 609 million Facebook users in 2014, 490 million monthly users on YouTube, and the numbers are increasing as globalization proceeds.

Advertising on social networks has had the largest and most extraordinary growth in social marketing. It offers advertisers all formats found in portals and search sites, including banner type ads, videos, etc.

Social networking sites like Twitter, Facebook, or MySpace offer businesses the opportunity to bring together people with similar interests so that they can obtain more customers more effectively. The potential of these pages is multiplied on a large scale

when they are handled by marketing professionals as they can advertise their electronic fan pages on Facebook and Twitter, and others; features that allow users to access them easily.

Social networks can offer several advantages not available in other electronic media, such as:

- *Hyper-targeted Advertising* focuses on the ability to create customer profiles according to tastes and preferences, mostly based on activity on the network. Segmented messages are always considered to be more useful than the messages sent to the general public. If messages are clearly segmented then advertising reaches a much higher position.
- *Social Shopping* refers to purchases made by people close to the user such as friends, family, coworkers, etc. Through this method, users receive notifications of purchases made by acquaintances, which then acts as a stimulus to encourage the user to also make similar purchases.

Many studies emphasize that the use of social networks for marketing is not only to advertise products or services but to better understand consumers, their tastes, and preferences. Social networking is a market study in constant motion; as stated in a published article on marketing and social networking, “if a brand is looking for extreme sports fans, maybe it could find 185,981 on Facebook, in addition to discovering that 83% of fans are men between 16 and 32 years, living in cities of over 200,000 inhabitants, who read blogs more often than usual, etc.” This allows businesses to gain great advantages over companies who are not immersed in social networks. (Rodriguez, pg. 37)

CHAPTER II

BUSINESS ENVIRONMENT OF *CERÁMICA ALFARERO*

2.1 Micro Environment

2.1.1 Providers

With 25 years of experience in the market, *Cerámica Alfarero* has become one of the greatest companies of Azuay, specializing in decorative and utilitarian ceramics. Due to its size, the acquisition of clay mines has been very important according to production needs. The company currently has seven providers in the Amazon, specifically in Morona Santiago, others in Loja, and with the majority in Azuay. These mines supply the raw material to the company on a regular basis. As for extra materials for finished products, these are produced internally in the factory; other supplies like enamels to decorate pottery are purchased in paint stores locally. However, many of these enamels are prepared by the owner of *Cerámica Alfarero* and even sold to the public.

The company is very well organized, due in fact to their extensive experience as potters; they know where to obtain the raw materials needed for production and have enough providers to supply them and meet high demands at any time.

2.1.2 Clients

Customers of *Cerámica Alfarero* are mostly domestic but they really do not have high-end customers in Cuenca; the owners argue that Cuencanos do not like wasting their money on expensive products. Unfortunately, the labor put in by the craftsman is extensive, so prices tend to vary according to each piece. However, the owners sometimes receive orders from other cities like Machala, Loja, Quito, or Guayaquil, where there are no fixed prices; rather each piece is valued individually according to the work put into it.

The tourist, or foreign resident in Ecuador, is also a loyal customer of the company, as some are collectors of crafts who appreciate handmade products, have a high appreciation for other cultures, earn relatively high incomes, and also appreciate the quality and unique designs that each piece that *Cerámica Alfarero* offers. However, these few regular customers of the company, and other sporadic customers, do not sustain the business. In any given month, sales can be as high as \$5,000 or as low as \$500.00. For this reason it is essential that the company start using more advertising distribution channels and open up to new cities to gain more recognition and more customers.

2.1.3 Company

According to the interview with businesswoman Clarita Ochoa, owner of the company *Cerámica Alfarero*, all relevant information was obtained regarding the company and its beginnings in the local market. According to her, the company was founded thirty years ago by economist Carlos Saldaña and with chemical engineer Juan Vega de la Cuadra. However, they soon separated and Carlos Saldana kept the factory and created a company called *Cerámica Alfarero*.

Twenty five years ago, demand for ceramic in the country was very high, thus it was sold to large chains like Casa Tosi, La Americana and DePrati. However, although there was a great demand for it it was not possible to supply the entire market due to several factors at the time. The main products sold then were ceramic pedestal lamps in colors like white, black, green, blue, and other bright colors, without any decoration but of excellent quality as it had access to the best mines.

After the rise of Ecuadorian ceramics came the invasion of Chinese ceramics, which bankrupted almost all Ecuadorian ceramic companies due to their low prices, which Ecuadorian potters could not compete with. Another drawback was at that time people did not appreciate domestic products, so the factory had to sell their products in department stores without their label, because if it was shown that the product was of

Ecuadorian origin it would not be sold; thus European labels were used instead in order to improve sales.

After a few years of the Chinese ceramics boom, people began to notice the poor quality of these products and therefore tired of them; thus Chinese product sales began to decline in the Ecuadorian market. Nevertheless, *Cerámica Alfarero* no longer produced in the same quantities as it did before, so they were left with a very large production plant and infrastructure. Something that also affected them was the fact that their most skilled craftsmen migrated abroad.

Due to all the above factors, the factory no longer had to supply the department stores like before; hence they they decided to focus on producing handmade ceramics. Unlike traditional pottery, the owners thought it was better to create something different, something that the client could identify themselves with. Thus, they began to make decorative pottery with unique designs and of excellent quality.

For 10 years now, products have been manufactured and branded as *Cerámica Alfarero*, because times have changed and nationalism has been strengthened over the years. In addition, *Cerámica Alfarero* has come to be known for its excellent quality, hand crafted with a mixture of ceramic and wrought iron, specifically for decorating traditional homes. In addition, its products have been developed under the guidelines of the customers requests, so that one can find unique products unlike any other ceramic product in the country.

Clarita Ochoa, wife of Carlos Saldaña, explained that by asking their customers why they did not buy their products, they responded that they did not like the typical, one-color ceramic they had been making for years, rather they wanted something different, something more colorful, and more decorative. Thus, *Cerámica Alfarero* began meeting these demands and eventually won the appreciation of their customers with have unique and decorative pottery. In addition, as per their customers' request, they have incorporated materials such as iron and wood in their products.

For ten years the factory has been maintained with a staff of ten workers, among which are three artists who paint and decorate all the pottery. They have the advantage of having available an adequate infrastructure, but they use only a quarter of the space. They do not pay rent because they own the building which is located in the center of the city of Cuenca. They also have showcase displays at the *Mall del Río*, the *Monasterio de Todos Santos*, and the last at the Cuenca airport. (Ochoa, 2013)

2.1.4 Organizational structure

While ceramic decorative items manufactured by *Cerámica Alfarero* are very well made and of very good quality, they lack adequate organization in the administration of the company; the owner of the company manages everything thus sales are low and there is no budget for more administrative staff. Currently, the company is very disorganized, there is no administrative hierarchy. There is no manager, administrator, an accounting department, nor any public relations person that promotes their brand. It is therefore important that the company invest in more staff so as to increase future exports.

2.1.5 Technology

While the company has a large enough factory for production, it is not adequate due to outdated equipment acquired about 30 years ago. This is a great disadvantage for the company because it makes them unable to respond to an increase in demand. It is vital that the company be updated so they can become more competitive in the market.

Another important aspect regarding technology is the lack of computer equipment, such as the internet, a website, social network presence, etc.

2.1.6 Segmentation

The products from *Cerámica Alfarero* do not appeal to every consumer, but there is a segment that exists that does in fact like decorative ceramic items for homes; these are generally people ages 40 to about 70 years old, female, who like hand-decorated crafts, and have a degree of high culture. They also have higher incomes because, as discussed above, this type of pottery specifically is crafted with unique details on each product, which makes them more expensive.

2.1.7 Product

Within the wide range of products produced by *Cerámica Alfarero* there are decorative items such as plates, hanging lamps, ornaments, vases, mirrors, bells, and cabinets. The plates, cabinets, and vases are the best sellers. All products are handmade, so the time it takes to make each article is significantly great. Usually the development of each product takes a period of approximately eight days, from the pouring of liquid clay paste to baking.

2.1.8 Design

While each piece is unique at *Cerámica Alfarero*, most of its pieces include flowery designs and flying hummingbirds. All parts carry a combination of very soft, perfect colors for any traditional home. There are a lot of pastel colors such as beige, light blue, pink, and yellow but there are also bold colors like electric blue, dark green, orange, and purple. The client can suggest a decoration or specific color, among other suggestions.

2.1.9 Added Value

As mentioned before, all pieces produced by *Cerámica Alfarero* are handmade, hence the artisans are skillfull and very experienced at what they do. The average time of completion of each piece is 8 days because he or she must prepare the clay, mold the

figures, heat them in the oven, dry the piece, and decorate the piece with a special enamel so the color won't fade. This whole process takes a lot of time and dedication, thus pieces at *Cerámica Alfarero* can be expensive because each artisan earns anywhere from \$600 to \$900 a month for their work.

2.1.10 Quality

The clay comes from the best mines in the country, mostly from Cuenca, which are some of the finest to be found in Ecuador. Likewise, the enamels and varnish used are of excellent quality providing added durability, as well as maintaining the details and colors of each piece for many years.

2.1.11 Aggregation Level

Among the variety of pieces that can be found in *Cerámica Alfarero* are:

- Vases and Pots: Some are all flowery, pastel colors or bright colors in different sizes. Small for wall planters, medium for gardens, or large for medium-sized trees that can also be used as decoration for inside the house.
- Mirrors: Ceramic edged with wrought iron or only ceramic. Usually medium size for the bathroom, living room, or bedroom.
- Vintage washbasin: With a wrought iron base and a kind of decorated ceramic tub, they can be found in medium and large sizes that can be used as decoration for a spacious bathroom.
- Lamps: small for nightstands, medium for a livingroom table, and large for the kitchen, living, or dining room. Some are floor lamps and others can be hung on the wall; either can be ordered with a single bulb or multiple bulbs.

- Articles for the bathroom: Toilet paper holder made of ceramic and wrought iron that can be nailed to the wall of the bathroom, soap holders, towel racks for small or large hand towel with a tube of wrought iron and ceramic, and tissue dispensers for guest bathrooms.
- Kitchen Utensils: You can find very colorful ceramic napkin rings, bread boxes, cheese makers, small rates, and medium to large coffee and tea sets. Six small cups combined with wrought iron to hang on the wall. Containers for spices in sets of two, three, and six-packs, simple or wrought iron. Some containers have drawings or words to know where you put each spice or ingredient such as rice, crackers, salt, sugar, cloves, pepper, flour, etc.
- Portraits and plaques: All made in ceramic and wrought iron on the edges with different shapes. They can be ordered in different sizes and designs, with messages or names, they are especially made to place at the door of the houses or rooms and kitchens depending on the message that goes in them. For example, there are plaques bearing the family name and placed outside the house, there is another with a message of friendship, love, prosperity, etc. As for pictures, one can find paintings representing the virgin birth of Jesus, landscapes, among others. Similarly they are combined with wrought iron and they are usually medium sized, which can be used as tiles for home decoration.
- Candle holder: Can be multiple unit or with an option to place more candles. Some are floor holders are for large spaces, while others are for the table or wall. Some have an option for up to ten candles that can be placed in bright areas such as the living or dining rooms. All of them carry a combination of ceramic and wrought iron with very striking forms.
- Mailboxes: They are made of wrought iron with very rustic rectangular shapes; they also have a ceramic plate that says “mailbox” with horses galloping. They can be ordered from small to medium size.

- Ornaments: Within this group are the frames in different sizes: small, medium, and large; square, rectangular, oval, or circular; all made of ceramic and decorated with various colors and designs. One can also find sculptures of owls, chickens, pigeons in small, medium, and large sizes. A chess set, reflecting the Spanish conquest between the Inca and Spanish, in large size. Medium-sized piggy banks in various colors and designs.

2.1.12 Process

A special paste called barbotina makes up the ceramic pieces. This liquid is put into molds and after a certain time, when the piece is formed, the containers are emptied and a kind of dry clay is made. After this is the drying phase where the piece is polished and placed in the oven. Afterwards the mold is burned and decorated, which is done by hand using different techniques depending on the product, and then it is burned again. After completing the above detailed process, pots, plates, hanging lamps, etc. are assembled.

Cerámica Alfarero offers handmade products which are very labor intensive. They have managed to find a niche market of people interested in decorative ceramics very different from the traditional ones; which can be made to each customer's taste.

2.1.13 Distribution Channels

Currently *Cerámica Alfarero* uses only the direct channel of distribution, selling their products directly to consumers without any middleman. 10 years ago they had several distribution channels, especially wholesale stores like Casa Tosi. At that time the factory produced 100 times more items than it currently produces. One of the reasons why they do not mass produce anymore is because the intermediaries ask for a very high discount rate, from 30% to 40% off; this is impossible because the products are handmade by artisans who receive a monthly salary of \$600 to \$900.

However, *Cerámica Alfarero* should not rule out the possibility of seeking a smaller distribution channel, such as *La Esquina de las Artes* in Cuenca, where one can find many local artisans' displayed work. A reasonable discount could be given to the store owners in order to obtain a larger market.

2.1.14 Competition

The most direct competition that *Cerámica Alfarero* has in Ecuador is the Eduardo Vega Workshop and Gallery; a local potter with studies in the School of Fine Arts in Madrid, School of Design in London, and Artistic Ceramics in France, with about 50 years experience as a muralist, and with a production of decorative and utilitarian ceramics. Some of his most famous murals and sculptures are “*Los Totems*” in the city of Cuenca, “*Los Huangalas*” in the Continental Hotel in Guayaquil, “*Sacando el Alma de la Tierra*” in the lobby of the Vice Presidency of the Republic, and 40 other murals he has done throughout his career, one of them which was sent to the state of California in the United States. Other items made by the artist are plates that are used as small pictures to decorate the walls in traditional homes, within which can be found: trees, flowers, vegetables, chickens, fish, *cholas cuencanas* doing everyday activities, and Cuenca heritage sites such as the Cathedral and the *Casona del Vado*. He also has a series devoted only to the Galapagos islands where many species of the island are shown.

Inside the gallery one can also find great decorative plates containing various landscapes of Ecuador with wildlife and national heritage sites. Likewise, the gallery features small, medium, and large vases with unique details and forms. With regard to the decorative and utilitarian ceramics, there are: trays for snacks, salad bowls, teacups, cheesemakers, coasters, coffee sets, dinner sets, sushi sets, and ceviche sets. Finally in the decorative section, one can see sculptures of giant owls, bird lamps, indigenous *Saraguros*, *cholas cuencanas*, ducks, and Columbian pigeons, among others.

As can be seen, Eduardo Vega has much competitive advantage over *Cerámica Alfarero* starting with a well-organized website containing high resolution pictures, a biography

of the artist, a very detailed catalog, a contact form to address consumer concerns, and access to social networks like Facebook and Twitter, where you can also contact the gallery and see promotions and news about the gallery. Another advantage is the location of the galleries in strategic cities for this type of traditional ceramics, the main gallery is located in the city of Cuenca and the second is located in Quito, these cities appreciate and acquire Vega's works. Another aspect to consider is the international recognition he has gained throughout his career as a ceramist; his work has been sent to various parts of the world such as the United States, Taiwan, Costa Rica, and other countries in the American continent. (E. Vega Gallery Workshop, 2014)

As can be observed, *Cerámica Alfarero* has a long way to go compared to Eduardo Vega, starting with a web page; in these times it is critical to manage a website in which one can offer a virtual catalog of products to the public. Furthermore, the company is wasting the factory by using only 1/4 of the space. The opening of another location in Quito or Guayaquil would also be beneficial because by only having one place in Cuenca they are losing the opportunity to earn national recognition.

Regarding the issue of exportation, *Cerámica Alfarero* hasn't done it; hence it is at a disadvantage compared to Vega, as he has been exporting his work for many years, which has given him international recognition. However, if *Cerámica Alfarero* does not solve the internal problems of the company it will be impossible to cope with international demand.

2.2 Consolidation of the company in the local market

Some time after creating the partnership between Carlos Saldaña and Juan Vega de la Cuadra, and later deciding to separate, Carlos Saldaña kept most of the factory and the machinery, leading to the creation of *Cerámica Alfarero*. Since then, the factory has produced ceramic, not only of a high quality but also decorative and unique. Some of the current staff includes a "strainer," a "polisher," a "baker," and a "glazer" (which puts

enamel on the ceramics). The other staff includes decorators, mechanics, and carpenters who all have helped *Cerámica Alfarero* grow to what it is today.

Since the consolidation of *Cerámica Alfarero* in Cuenca, it has not been easy to grow in the local market due to the devaluation of national products for many years. Today, the company has found a niche market for decorative ceramics. Although their prices are relatively high, due to the time it takes to manufacture each piece, the quality, authenticity, and uniqueness of their product designs are worth every penny.

Cuenca is a very private and traditional town; thus *Cerámica Alfarero*'s products have adapted very well to Cuenca society. However, foreigners residing in this city are one of the largest customers of the company since seeing unique and different ceramic products really catches their attention. Moreover, by virtue of being handmade, they are much more appreciated than traditional ceramic products.

Still, although *Cerámica Alfarero* offers a distinct product, it is not the same company it was 25 years ago when it distributed in bulk to large retail stores. The entry of cheaper Chinese ceramics caused sales to fall dramatically, to the point of not selling their products to any dealer in the country, as these wanted to buy ceramics for half the price and resell them, basically ending the prestige and effort of artisans. Also, sales have declined due in part to the domestic market not appreciating the effort and dedication comprising each piece, essentially raising its value and its price.

2.3 Need to enter the international market

Due to the handmade nature of the ceramics, *Cerámica Alfarero* products are products with identity, an identity that represents Cuenca. Foreign visitors want to feel somehow identified with the place they visit, for this reason they want to take the product back home to their country of origin. However, this is not an easy task due to the fragility of the ceramic; it can break easily while in transit.

Many foreigners residing in Cuenca buy various products from *Cerámica Alfarero* which can be used to decorate their homes. However, many of them cannot purchase what they want due to the fragility of the pieces. Thus, *Cerámica Alfarero* has offered to send the product by the Ecuadorian Post Office or *Exporta Fácil*. Moreover, Pro-Ecuador has given advice to the owners of *Cerámica Alfarero* on the issue of exportation; however they must obtain a certificate of origin and other documents. Nevertheless, they still do not have enough demand for large exports since the product has not been promoted in the right way yet. (Ochoa, 2013)

2.3.1 Emergence of new attractive markets

The craft market has a high demand in Western countries like the United States due to the high level of cultural knowledge that consumers have. Despite the United States being a large country, there is little competition in the handmade ceramics market. Also, this industry will always be appreciated by American customers because they usually appreciate and value different cultures, especially handmade products. The majority of items for decorating homes are manufactured in series in Ecuador, without any emotional bond or story behind it. Instead handmade crafts always have a story or a link to the culture, this makes the product attractive.

2.3.2 Government incentives

The Ecuadorian government, through the Institute for the Promotion of Exports and Investments, with the Ministry of Foreign Trade, “is responsible for implementing the policies and rules to promote exports and investments of the country, in order to promote the supply of traditional and non-traditional products of Ecuador markets and producers, promoting a strategic insertion into international trade.” As such, the government seeks to achieve a responsible export culture, especially from those belonging to small and medium enterprises. (PRO ECUADOR, 2014)

Pro Ecuador creates a database by sectors and regions where potential exporters are formed into groups depending on the product, the presentation, exportation history, destinations, among other data. They are also constantly organizing events such as training on topics like exporting, entering a new market, and competitiveness. It also conducts workshops and projects and gives notice to the producers on trade fairs and missions related to these products that businesses can attend. Pro Ecuador and also gives notices of business meetings of countries interested in investing in Ecuador; for example business meetings between China and Ecuador on flowers and fruit. (PRO ECUADOR, 2014)

The goal of Pro Ecuador is to provide opportunities to producers or small businesses to promote their products overseas, thereby generating income and jobs for the country. Working alongside Pro Ecuador is *Exporta Fácil*, a tool that facilitates exports of micro (small and medium) enterprises in order to make them more competitive in the international market.

The process for exporting is very flexible and simple, because one only needs to enter the portal *Exporta Fácil*, initiate an export application, fill out the Simplified Customs Declaration form (DAS), and other required documents such as the company RUC, commercial invoice, packinglist, and certificate of origin. Once all these documents are delivered, the company is now able to export their goods. However, the export should not exceed \$5,000 and the packages must not exceed 30 kg. Once approved for export, the user can use the postal services of Ecuador to ship their products to any destination. (*EXPORTA FACIL*, 2014)

2.3.3 Pursuit of easy access to technological advances

The United States, being a world power, is very advanced in the technological aspect in all industries it competes with; which is why it would be beneficial to acquire knowledge about new technology in equipment and machinery, as well as learning new techniques for decorating ceramics. *Cerámica Alfarero* uses outdated technology in the

factory, considering it was acquired over 25 years ago. It is vital that the machinery be updated so they can have a more optimal response to demand, domestically and internationally.

An important issue in the appearance of pottery production is the environmental impact, it also could learn how to take advantage of a 100% of its waste through recycling, which could lead to more revenue for the company. This could be done as long as suitable machinery is acquired to optimize work.

2.3.4 Use of idle production capacity

As noted above, *Cerámica Alfarero* has a very large factory due to mass production performed over ten years ago. But, when Chinese ceramic entered the country, Ecuadorian producers, including Pottery Alfarero, were no longer profitable. Since then, the company has only used one quarter of the factory, producing few pieces and leaving the rest of the factory to waste. For this reason, the company wants to open up to an international market, thus maximizing unused space and disused machinery.

2.3.5 Risk diversification

Cerámica Alfarero has not had significant revenue for more than ten years; this could be due to little promotion and almost no distribution channels used by the company. Thus, the owners are looking to open up to other markets where their products are most appreciated. Advertising only in Ecuador would be risky for the company because they do not have enough demand. To strengthen demand, *Cerámica Alfarero* wants to promote its products in the United States, given that Americans have shown a high appreciation for their products, which leads them to believe that they would do very well in an American market.

2.4 Macro Environment

2.4.1 Political Environment

The Ecuadorian government, through the regulatory agency INEN (Ecuadorian Standards Institute), which “makes technical standards of raw materials, intermediate and finished products, also helps to ensure the protection of life, human health, animal, vegetable, and the preservation of the environment; consumer protection and the promotion of a culture of quality and productivity improvement and competitiveness in Ecuadorian society,” has improved production in the country and compelled Ecuador to become competitive both nationally and internationally. (INEN, 2014)

In addition, this regulatory entity seeks to constrain some imports for the country to produce more here and export more abroad. Regarding ceramic products, especially floor and wall tiles, restrictions have been placed on labeling;, which harms the Ecuadorian importer since the international ceramic industry, like Chinese for example, having many customers in the world, will not be complicated with so small a market as Ecuador.

Although technical standards have not yet been imposed on artisanal ceramics, they may soon be. Since tourism is one of the largest contributors to the economy of Ecuador, and crafts are part of this industry as they represent the culture of the country, the government should encourage improvements in the quality of crafts in order to be competitive both within and outside the country. One of the advantages of *Cerámica Alfarero*, in this respect, is that they do not import any materials for production; everything they need is obtained in Ecuador, starting with the raw material, which comes mostly from the province of Azuay, to the enamels used to decorate the pieces.

As for the legal aspect, there is a regulatory entity, the “National Artisan Defense Board,” which aims to develop the handicraft sector by promoting public policy, research, and service to the artisans. Furthermore it is based, and relies on, the “Artisan

Defence Act” in order to increase respect for the Ecuadorian artisan, as detailed in “Art. 1.- This Act protects artisans of all branches of arts, crafts, and services, to enforce their rights. . .” (National Artisan Defense Board, 2014)

Some of the benefits available to artisans are:

- They are exempted from paying the thirteenth and fourteenth month salaries, plus utilities to operators and trainees.
- They are also exempted from paying the workers and apprentices complementary bonds.
- They also have job protection against contractors. (Ecuador Artisans, 2014)

2.4.2 Economic Environment

Regarding the economy, the “Artisan Defence Act” grants some privileges to artisans, especially taxes:

- All Ecuadorian companies shall bill, however artisans bill at a rate 0%, i.e. are exempt from paying sales tax.
- Are not required to report semiannually sales tax
- They are exempted from paying income tax.
- Also are exempt from tax on the export of their products.
- Nor are they required to pay taxes and municipal licenses on total assets.
- They do not pay tax on the transfer of ownership of immovable property for craft centers and training workshops. (Ecuador Artisans, 2014)

All these exemptions and benefits accrued by artisans are due to the effort involved in the craft, because the majority is done by hand with a minimum percentage of machinery in the production thereof. However, many people have qualified without being artisans,

such as hairdressers. This has led to a discussion, and possible reforms, to be presented to the National Assembly in September of 2014 on the Artisan Defence Act, which may require payment of utilities. This would be very detrimental to the true artisans who have few workers and profits of their work are not as high, which could force some of them to close their shops. It should be noted that another important aspect in this area is the generation of jobs this industry provides; there is much needed manpower, from the extraction of raw materials, to production, to marketing. (*El Comercio*, 2014)

2.4.3 Social Environment

On the social side, artisans in Ecuador, due to the Artisan Defence Act, have benefits like:

- Affiliation to state insurance for master craftsmen, workers, and apprentices.
- They also have access to loans from the State Social Security.
- They can extend Social Security to your household.
- They are not obliged to pay reserve funds. (Ecuador Artisans, 2014)

Another important aspect in the social field of crafts is the acceptance of artisans in the country. The campaign “Best if made in Ecuador” has created awareness to accept and purchase domestic products instead of foreign products. Also, thanks to the plurality of cultures that exist in Ecuador, one can find crafts from all provinces and regions, each with unique hallmarks of its culture and tradition. In the mountains there are clay pots, ceramic decorations, straw hats, and different types of metalwork. On the coast there are tagua crafts, Montecristi hats (straw shawl), balsa wood crafts, rattan furniture, bamboo cane, etc. In the Amazon there are “*Kumbia*” necklaces made from seeds of plants with the same name, natural fiber bags made from *Kumai*, fiber-based marijuana bracelets that are hand woven, wood log handicrafts, etc.

Craft fairs, both public and private, are also part of the social sphere. In them one can see crafts of all kinds, plus displays of these fairs are usually done on important dates or in provincial capitals such as the Cuenca Inter-American Folk Art and Crafts fair (CIDAP), usually held on April 12th and November 3rd, celebrating the foundation and independence of Cuenca.

2.4.4 Technological environment

In the technology field, one can see support from the Ecuadorian government through the Ministry of Industries and Productivity (MIPRO), who through the Undersecretary of MSMEs, namely, micro, small and medium industry, encourages the craft industry by implementing policies and tools that support the competitive development of these and other crafts and business opportunities for access to national and international markets. It also generates support projects that facilitate access to loans that are in the productive, commercial, and technological development of MSMEs, handicrafts, and productive enterprises.

It also encourages and motivates the formulation and implementation of projects for production, to improve competitiveness of MSMEs. And most importantly, supports the creation of specialized technical groups, which are responsible for diagnosing, identifying, and making proposals for intervention to improve the quality of products, and obtaining competitive advantage in the Ecuadorian handicrafts industry. (Sustainable Market, 2014)

CHAPTER III

INDUSTRY ANALYSIS AND OPPORTUNITIES IN THE AMERICAN MARKET

To perform a market study it is necessary to obtain all relevant information on the country of interest, in this case the United States. According to the source, TradeMap, bilateral trade between Ecuador and the United States of ceramic crafts is not very significant compared to other products, however there is room for growth.

1. Ecuador-United States Bilateral Trade

Comercio bilateral entre Ecuador y Estados Unidos de América
 Producto: 691390 estatuillas y demas objetos de adorno de ceramica, excepto los de porc

Unidad: Dólar EUA miles

Tabla


Gráfico

Mapa

Empresas

Exportar hacia    

Período (número de columnas):  5 por página ▼ ➡ número de líneas por página: Por defecto (25 por página) ▼

<u>Código del producto</u>	<u>Descripción del producto</u>	Ecuador exporta hacia Estados Unidos de América					Ecuador exporta hacia el mundo				
		<u>Valor en 2009</u>	<u>Valor en 2010</u>	<u>Valor en 2011</u>	<u>Valor en 2012</u>	<u>Valor en 2013</u> ▼	<u>Valor en 2009</u>	<u>Valor en 2010</u>	<u>Valor en 2011</u>	<u>Valor en 2012</u>	<u>Valor en 2013</u>
6913900000	Estatuillas y demás artículos para adorno, de cerámica distinta de la porcelana, n.c.o.p.	8	17	15	3	7 	61	76	57	114	111

Fuentes: Cálculos del CCI basados en estadísticas de [Banco Central del Ecuador](#) desde enero de 2005.

Cálculos del CCI basados en estadísticas de [Asociación Latinoamericana de Integración \(ALADI\)](#) hasta enero de 2005.

El comercio bilateral fue reportado por Ecuador

Las exportaciones para Ecuador fueron reportadas por Ecuador

Source: Trade Map

As shown in the above table, the code 691390000 representing the Statuettes and other ornamental ceramics other than porcelain, represents relatively low exports; in 2009 alone \$8,000 in ornamental items were exported from Ecuador to the United States. In 2010 and 2011, exports remained improved for this item with an increase to \$15,000. However, for 2012 and 2013 export values dropped significantly, exceeding an amount no greater than \$ 7,000.

While export values are low, it is because much of the raw material for production of pottery is from Azuay. According to the Chamber of Industries, the most concentrated raw material in Cuenca is clay, generating 2,400,000 m² per year; however, most of this is intended for the production of ceramic tiles. The volume used for the production of handmade pottery is not as high; it is for this reason that exports are so low. (*El Telégrafo*, 2014)

3.1 Internal Analysis

3.1.1 Physical Capacity

3.1.1.1 Tangible Assets

Fixed Assets	
Quantity	Tangible Assets
1	Factory
1	Commercial Store
1	Oven for forging
2	Furnaces for burning pieces
3	Booths for glazing
2	Polishing Lathes
2000	Casting molds

Cerámica Alfarero, being a company that converts raw materials into finished products, is responsible for preparing the dough for ceramics to painting and decorating them; its fixed assets are considerable for the preparation and finish of the ceramics. The factory has two ovens, 4 x 1.5 meters in size, which serve to burn the ceramic. The temperature is suitable for baking either the mold or the glaze that goes on the figure when it is dry. The factory also includes three booths for the glaze on the pieces, but they only use one for the time being because demand is low at the moment.

It also has two lathes for polishing, however, only one is used since they only have one polisher. They currently have two thousand casting molds for parts, but only about five hundred molds are used for the preparation of the figures due to low demand and the small staff at the factory. Finally, they have one furnace to forge iron; they believe another furnace should be purchased for the production of parts.

The factory currently produces a lower level of pottery compared to years before. Today, approximately two hundred small sized pieces, sixty to one hundred medium sized pieces, and about fifty pieces large sized pieces are produced in any given week. The factory currently has three artists; it is believed that production could increase by 150% if they had more equipment and more artists. For this reason, the owners have seen fit to hire more staff, specifically three more glass workers, two polishers, three strainers, and three artists.

In terms of retail, *Cerámica Alfarero* has its own store, which is located on the ground floor of the owners' residence. The place has everything one would need to showcase products, from the physical space to the display cases, shelves, a computer, a desk, and a landline telephone.

3.1.1.2 Intangible Assets

Intangible assets are considered non-physical assets that are part of the company, this includes: the company reputation, brand, corporate social responsibility, partnerships, patents, and human capital.

Cerámica Alfarero does not currently have adequate departmentalization, which would allow the company to develop properly. Mainly, this organization should establish an area for the implementation of effective marketing, which could work with management, accounting, and form other external relationships to ensure success.

3.1.2 Economic capacity

Cerámica Alfarero began with an investment of \$120,000; however, they currently only use 1/4 of the plant and machinery acquired, because they no longer mass produce their products. Hence, they are only using \$15,000 in machinery, outside the cost of raw material for the production of ceramics. Although they are not using 100% of the factory they have a great advantage because they already have the physical space to expand. The factory has not invested much capital, other than raw materials and salaries for employees.

At this time, the owners agree that it is not necessary to acquire any debt for production, in the case of an increase in demand or exportation. Because they already have a large physical space and all necessary equipment, they would only need to hire more staff, acquire more working capital, and upgrade their equipment.

3.1.3 Administrative capacity

Cerámica Alfarero does not currently have a marketing system, sales staff, or an account; the company has been run since the beginning in a traditional, familiar way. For this reason, most tasks fall upon the owner, which is not very much because of the relatively minor flow of goods. They have not considered it a priority to integrate management systems and operation in different areas; however, in certain periods, they will hire third-party services to handle the annual accounting.

However, it is very important to have a manager who can handle the business, also a specialized salesperson, and above all a public relations person who can maintain good relations with the international market and sell the image of *Cerámica Alfarero*. Also, a person in charge of foreign trade would be helpful, specifically sales made to the United States.

3.2 External Analysis

3.2.1 Economic Environment

The economic environment of a company is affected by external factors as well as by internal factors. This section will examine the external factors, i.e. those that the company can not control but nevertheless should be addressed.

Markets require purchasing power, these are aspects associated with any economy in the world; for example, current income, prices, savings, debt, and credit availability. Companies or businesses have to be aware of major trends in income and standards of consumer spending. For this reason, we must evaluate different variables within the economic environment. (Kottler & Armstrong, 2003)

According to the Trade Directory of the United States, prepared by the Directorate of Commercial Intelligence and Investments of Ecuador, the economy of the United States

is considered a capitalist mixed economy, which is fueled by its natural resources, a developed infrastructure, and a high level of productivity. In 2013, according to the International Monetary Fund, the GDP of the United States was nearly \$15 trillion, which represents 21.5% of the Gross World Product, and is considered to have the world's highest GDP. The United States is also considered the largest importer of goods and second largest exporter with its major trading partners: Canada, China, Mexico, Germany, and Japan. (PRO ECUADOR, 2013)

2. Exports and Imports of the United States to the world

EXPORTACIONES DE ESTADOS UNIDOS AL MUNDO					
Valor FAS / Millones USD					
2007	2008	2009	2010	2011	2012
1,942,863	2,090,483	1,549,163	1,898,610	2,186,951	2,251,03

Source: (Directorate of Commercial Intelligence and Investments, PRO ECUADOR, 2013)

As can be seen reflected in the table above, both imports and exports in the United States were rising until 2008; however, due to the economic crisis at that time, imports decreased from 2.1 trillion in 2008 to 1.5 trillion in 2009. In 2010 onwards, the United States economy begins to improve to 2.2 trillion in imports in 2012 and 1.5 trillion in exports in the same year.

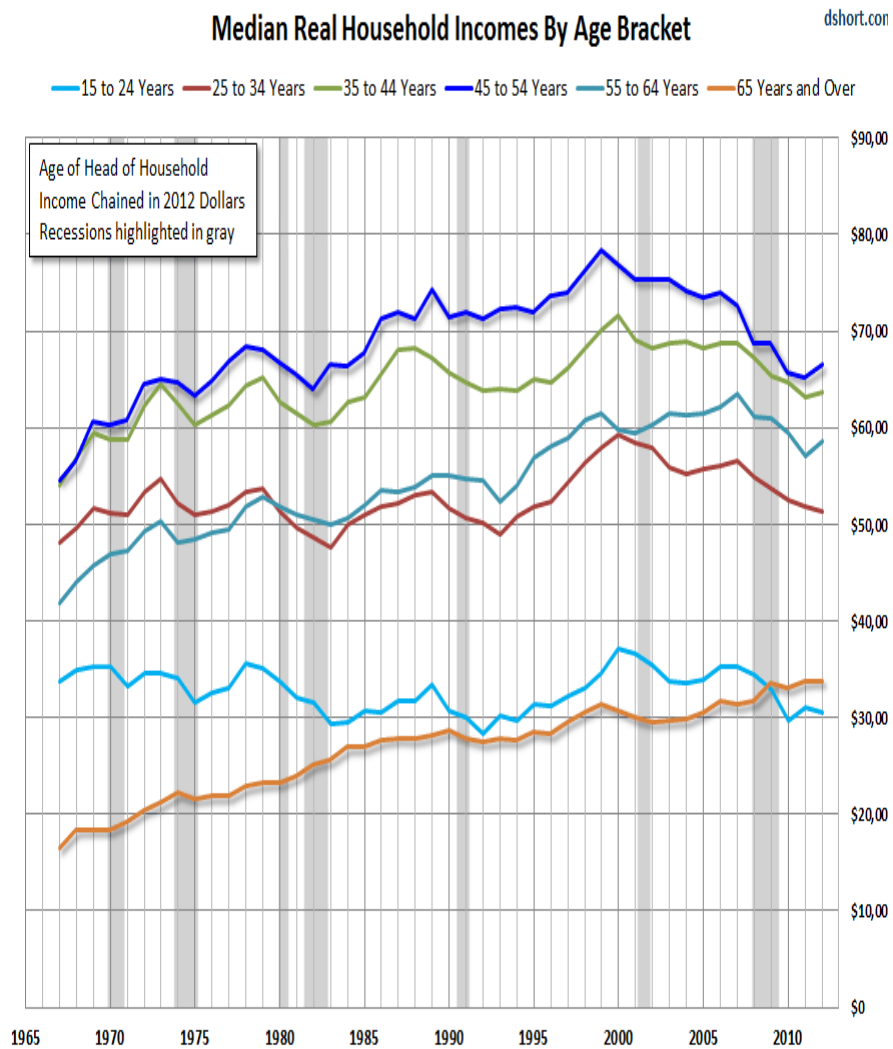
Unfortunately, the weak economy continued to be affected until mid-2013 but has since begun to recover due to five major factors; the first is due to the housing recovery, the second is private sector deleveraging, the third is the reduction in the unemployment rate, the fourth factor is due to the energy revolution, and finally the fifth factor is due to the improvement in the fiscal outlook. Thus, the consensus of expectations has predicted that the United States economy should grow about 3% in 2014 as opposed to 2.1% in 2013. (The Economist, 2014)

Although the economy of the United States is growing at a moderate pace, the unemployment rate has declined; but, compared to previous years, it is still high due to the country's labor force participation falling from 66% before the recession to 63% today. The reason for this decline, according to economists, is because many people have stopped looking for work. But, President Barack Obama has set an agenda that focuses on the issue of jobs and stronger growth for the country; he wants Congress to increase the minimum wage to \$ 10.10 an hour, in addition to proposing more spending for projects in education, training, and defense. (CNN EXPANSION, 2014)

3.2.2 Income distribution

To perform this economic analysis, the data from potential customers in the United States has been taken into account, because this is *Cerámica Alfarero's* target market. Below is a chart detailing the wages of Americans by age groups, this serves to target the most appropriate group for exportation.

3. Income of the American population by age



Source: (Short, 2013)

According to the United States Census Bureau, in 2012 the United States had a workforce of 159.9 million people. The chart above shows the actual household income for six age intervals from 1967 until 2012, it can be seen that the per capita annual income of American households ranges from \$30,000 to \$70,000; however, only a specific group is favorable for the company, the group that has the financial capability of purchasing products from *Cerámica Alfarero* as these can be expensive.

After analyzing the data on income levels of the population of the United States, *Cerámica Alfarero* would benefit from the population between 35-64 years of age as these people generate more income, which means that the company's products would be better accepted and purchased by this market.

3.2.3 Political Environment

The political environment of a country is very important because it can lead to positive effects like new business opportunities or negative aspects such as trade barriers; that is, the political environment greatly affects the economic environment for business. Countries of interest for this research are Ecuador and the United States; the bilateral relationship that exists between them is very important for trade.

The United States has always been considered one of the first powers of the world, but had to experience one of the most severe recessions since the crisis of the 30s with a contraction of the economy of 2.6% in 2009. Nevertheless, a fiscal incentive to increase household consumption, among other things, is what aided the economy recovered in 2010; but it wasn't until late 2013 and early 2014 that the country became more stabilized.

As a result of the recession, there has been a political imbalance in the Congress of the United States. At the end of 2013, the federal administration was interrupted because of debates between Republicans and Democrats regarding the enhancement of the limit of the debt. President Barack Obama has spurred economic recovery in defense of the middle class; so that for fiscal year 2013, federal resources were given to the most critical areas to insure proper growth of the economy and fiscal balance. Thus, the government gives priority to education, employment, research and development, and innovation. Also, Obama has prioritized the regulation of financial markets and formed an agreement between Republicans on tax increases and deficit reduction. (Export, 2014)

As for the political relationship between the U.S. and Ecuador, one could say that it has not been the best in recent years, as there have been many tensions between the two countries. The President of Ecuador, Rafael Correa, disagrees on many points with the American government and has made clear that the United States must understand that Ecuador is a sovereign country which will not stand for any humiliation or blackmail. Furthermore, Ecuador, in April, requested the withdrawal of many American personnel in order to make transparent the bilateral relationship in the field of security. The United States accepted the government's decision, despite difficulties in bilateral relations between the two countries. (*La República*, 2014)

However on the business side, the Ecuadorian government has imposed certain restrictions and barriers on imports and quality standards applied to many products, while promoting the country's exports and foreign investment, as well as an incentive to potential exporters to strive for a higher quality of its products, while creating jobs and generating foreign exchange.

3.2.4 Cultural Environment

The report in *Business Opportunities for the Craft Sector in the Northeastern United States* prepared by economist Karina Amaluís, Head of the Commercial Office of PRO ECUADOR in New York, the profile of the American artisanal consumer is made up of adults, frequent travelers and collectors who would be interested in Latin American art and culture. It should be noted that these are people with relatively high incomes that have flexibility in purchasing commodities and have adequate and ample space to display any handicrafts acquired. The profile of this consumer is one who spends more on gifts and decorative items than it spends on clothes.

Also, people in this demographic prefer items that create an emotional bond. *Cerámica Alfarero* offers its customers products that are handmade and unique; they also offer custom work upon request. *Cerámica Alfarero*'s products are striking for their colors and

designs that delight the senses of their consumers. The products are high quality; the texture alone indicates to the consumer that it is a good product.

The profile of craft consumers are those who have a taste for handmade products that are made from sustainable raw materials. Needless to say, *Cerámica Alfarero's* products are handmade and the quality of the ceramic used for each item is of the best quality, standards which are regulated by INEN. (Amaluisa, 2013)

3.2.5 Technological Environment

The technological environment is considered to be one of the forces that moves the world since the acquisition of appropriate technology within a company can create quality products in large quantity; thus a sustainable competitive advantage is created and a barrier is created for new competitors entering the market.

One of the most used technological tools is Information Technology and Communication (ICT), which helps in the collection and storage of information in an organization. In Ecuador, ICTs are implemented only by large companies, due to their large investment and management. However, microenterprises are considering its implementation in order to survive in the market and compete with businesses in our globalized economy. (*Universidad Politécnica Salesiana*)

The United States is one of the best managed countries concerning ICT, with almost no company that does not have a website, or at least an account of their business on social networks. Many people do not have time to go to their favorite store and buy what they like, for this reason they use the internet to do so, which often saves time and money.

Cerámica Alfarero does not have a proper implementation of ICT. Within the company there is only a database of its portfolio, accounting, and an electronic directory of suppliers of raw materials. The following are some strategies the company should implement to improve ICT:

- The company should hire a technician who can create and maintain a website for the company. The website should include products, an online payment function, as well as current offers and promotions.
- Considering social networks are important today, and since most people have access to them, the company should create an account on Facebook and Twitter.
- It is important for the company to maintain a database with detailed information of customers, with a record of the items purchased, in order to contact them via e-mail; sending information about new products, or those that resemble their tastes and preferences, possibly congratulations on their birthday, and reminders of promotions. Through this, *Cerámica Alfarero* would give a more personalized service and ensure the loyalty of their customers.
- The company must train all employees to use ICT, to store and review data, as well as basic programs like MS Excel and Word.
- *Cerámica Alfarero* has always maintained direct contact with different raw material suppliers, it is very important for both parties to make transactions directly. It would be appropriate to continue this relationship in its current form considering the merchandise is of the highest quality and are under the established norms.

Therefore, *Cerámica Alfarero* should implement different technological strategies to grow, develop, engage the consumer's mind more quickly and effectively, and reduce costs in advertising or for sale online.

3.2.6 Impact on Domestic Competition

In Cuenca there are few shops that are dedicated to decorative ceramics by hand. One could say that the only competitor in Cuenca is the Eduardo Vega Workshop Gallery, one of the best known designers and muralists in Latin America. His works can be seen both in public spaces of Ecuador and in other countries. His gallery and studio exhibit handmade products in decorative and utilitarian ceramics. However there is a kind of indirect competition from materials like wood, glass, aluminum, straw shawl, leather, and fabrics which are also in high demand in the American market.

3.2.7 Impact on International Competition

Although *Cerámica Alfarero* does not have many competitors in the domestic market, it is important to consider international competition. On the one hand, the main suppliers of handicrafts to the U.S. are from Asia, specifically China, Vietnam, Thailand, and India. The second largest group of suppliers is in Latin America, starting with Mexico, Peru, and Brazil; and finally Africa with Ghana, Nigeria, and Mali.

As specifically related to ceramic products, Italy is the leader for their designs and high quality products, also products from Canada are recognized for their creativity, innovation, and originality. Asian countries are also renowned for their elaborate bamboo, pottery and embroidery handwoven products, their major advantage over Ecuador and other Latin American and European products is that their prices are very low because the labor is much cheaper in Asia. The Andean countries are otherwise highly recognized for straw-based crafts and also pieces of Indian pottery representing the culture of their countries, besides being handmade with natural materials. (Amaluisa, 2013)

3.2.8 Impact on domestic market

The handicraft market in Ecuador is very well recognized, especially by foreigners as they appreciate more what is indigenous to the country and what is handmade. *Cerámica Alfarero* offers decorative items and utilitarian pottery with unique designs that are sure to win over lovers of handicrafts. However, they are not to the liking of all of the local market. These crafts have much color and detail in each piece; therefore, they have a high cost. In the local market the demographic is limited of those people who really like the product and have a high enough income. People from other cities like Quito, Guayaquil, Loja, and Machala generally appreciate the quality of the ceramics and unique designs. Also many foreign residents, especially Americans and Europeans, appreciate the Cuenca culture and their artisans.

3.2.9 Impact on international market

Cerámica Alfarero is a microenterprise which currently covers only the domestic market and has a staff of four. Although this business is well established and has been in Cuenca about twenty-five years, it has not been able to expand to other cities in Ecuador due to lack of personnel, money, and especially due to the lack of a good communication strategy to help them advertise. Given the above, it will be difficult for this business to expand into the international market if it does not invest in the necessary resources. Starting with investment for increased production, ICT, export costs, local costs if required, delivery charges for products, etc.

3.3 SWOT Analysis

3.3.1 Strengths

- Technology is one of the most important factors in the ceramic industry, because without proper equipment it is not possible to meet both domestic and international demand. The United States requires industries that are developed in

order to be competitive within their respective industry. As such, the decorative ceramics industry can acquire machinery and current technology in the United States to improve the production process. The machinery in Italy used for ceramic production is, for the most part current, resulting in ceramics of the highest quality. Similarly, Chinese technology is almost always up-to-date.

- Quality is also essential in this industry; as mentioned above, consumers of decorative and utilitarian ceramics are usually high and middle income adults 35 years and older who want high quality handicrafts, with good finishes and with durable material. The handmade pottery industry satisfies most consumers' demands since the artisans perform most hand pieces with clay of excellent quality, such as the Talavera of Mexico, the Chulucanas of Peru, the ceramic pottery of Azuay in Ecuador, Italian ceramics, among others. All of these examples are famous in the American market.
- Another strength of the ceramic craft industry is the value added that each piece of decorative and utilitarian ceramics entails. As noted throughout this paper, handicrafts made in ceramics are mostly handmade by experienced craftsmen with extensive knowledge about the techniques used in each of the parts, which essentially guarantees their quality. Depending on the culture, each piece has a different and unique design which is highly prized by collectors. Hand-making crafts give exclusivity to the product, no part of a particular piece can be compared to another; also, the techniques used to make the ceramic pieces differ between cultures; either by their designs, shapes, or colors.
- Know-how is one of the most important strengths in the industry of handmade pottery, requiring extensive knowledge for the development of the pieces starting from the preparation of the clay, to the shaping of each piece, the baking, glazing for decoration, the designs, etc. The whole process requires a lot of precision in the preparation of the clay, the correct operation of the machinery, the temperature and time to bake the pieces, drying, type of glaze and additives for

decorating them; the steps that can vary between artisans. Consequently, the know-how in this industry is very strong because not everyone can do it; it requires extensive knowledge and experience.

3.3.2 Opportunities

- A great opportunity that the United States government grants inventors and companies is the protection of their products through the registration of trademarks and patents expeditions. The Patent and Trademark Office in the United States is known as the United States Patent and Trademark Office (USPTO). In the case of the ceramic crafts, several types of techniques for the production of ceramics, depending on the country and culture, could get patented in the United States. A company or person can register a trademark so that no other company can use the name or logo of that company, in order to avoid consumer confusion and be more competitive in the market.
- Partnerships are also important to achieve promotion strategies within a market, especially for small and medium enterprises that start with low investment and are new to the market. Strategic and commercial alliances can be very useful for promoting a brand through companies with greater recognition and positioning in a given market. For the handmade ceramic industry, products can be expensive as most of these are not produced in scale but are handmade by experienced craftsmen, therefore it is difficult to enter into a strong market such as the United States, where most industries sell their products in bulk and are more competitive. For this reason, partnerships can be very useful for positioning a new brand that already has market recognition for handmade pottery.
- Distribution channels for the industry of decorative and utilitarian pottery are varied. America is a country that spans many industries, hence there are many companies competing in the market in which they operate. Distribution channels are an important way to promote products that are difficult to introduce into the

market on their own; many companies choose to deliver their products to recognized distributors. In the decorative ceramics industry, one can access retail distribution channels such as renowned galleries and shops that display products at strategic locations through the internet and on television, as well as through wholesale distribution channels such as Pottery Barn, Home Depot, Bed Bath and Beyond, or Crate and Barrel. There are also department stores like Macy's, JC Penney, Bloomingdales, Marshall Fields, Target, etc. Finally, the economic and commercial activity in the United States is so strong that there may be hundreds of distribution channels for almost any type of industry.

- One advantage of marketing handmade pottery in the United States is that the segment is well established; since these crafts come from different cultures, and most of these are made by hand, the cost is high. The intended market are those adults with a high to average income that also have a broad knowledge of history and cultures of the world, and who like to decorate their homes with unique pieces.
- Fair Trade USA certification is a certificate awarded by the fair trade organization that works with nonprofits to help farmers, artisans, and small producers from developing countries through social, economic, and environmental projects, creating opportunity for them in the United States. (Amaluisa, 2013)

Moreover some Latin American countries such as Ecuador, Peru, Brazil, Mexico, Colombia Vietnam, and India have duty free access for decorative and utilitarian ceramics to the United States market. Countries like China, Italy, and Germany pay a fee of between 1.1% and 1.5%, providing opportunity to the artisans with relatively low tariff barriers.

3.3.3 Weaknesses

- The production process of the decorative ceramic tile in most companies is very traditional, as it is used for making vintage pieces of pottery in the tradition of their culture techniques. This can be somewhat detrimental to companies trying to enter a market as competitive as American, as many of the production processes in this country are done with modern technology; with updated processes and techniques, crafts traditionally prepared by hand find it difficult to compete with mass produced products sold by wholesale distributors.
- Warranties for ceramics to the consumer are a complex issue because ceramic is a brittle material. This may cause some discontent by the client as Americans are accustomed to receiving warranties on most products they buy. However there is a guarantee on pieces that were improperly made in the factory.
- Ceramic decoration is not firmly positioned in the American market, as they are not mass produced products or indispensable household items, so there is relatively low demand for it. The consumer usually focuses on the form, design, and decoration of a product or where it came from; the brand of pottery is not very important since the consumer pays more attention to the quality of the piece, the details, and the added value of the piece. There are really no positioned handmade pottery brands in the U.S. market. Also, because of Chinese impersonations, it is difficult to position a brand as it can get imitations offered at lower prices.
- The application of new developments in the products can also be considered a weakness in this industry because, as detailed throughout this work, the ceramics are expensive due to labor costs and also because they are not mass produced. However, wholesalers may maintain promotions on their products due to the constant flow of sales. In the case of new artisans in the American market,

exceptions could be made for promotions on special occasions like Mother's Day, Christmas, and Valentine's Day; dates when trade moves strongly and becomes a very big opportunity to promote new products and brands.

- The lack of promotion of handicrafts in the industry is common because of the cost involved in advertising their products. There are a lack of communication strategies in this sector either through lack of resources or lack of strategies that can be used to promote the products. One of the essential tools to promote the pieces is the management of a website, which is missing in many manufacturers of utilitarian and decorative ceramics; however, this is not the only way to sell in a market because there are other ways to advertise their products that does not require much investment; such as: blogs, exhibits at craft fairs, communication strategies such as pay per click, e-mail marketing, social networking, etc.

3.3.4 Threats

- In the absence of a place of business, product delivery to consumers is complicated; home delivery is complicated as each piece must be carefully packed to avoid breakage or scratches. However it is not possible to have a control over pieces in transport, which may force the company to replace any broken items, generating a loss for the company. Electronic commerce in the United States is currently developed as almost all companies have a web page. The option to shop online with home delivery service for an extra cost is widely available. As such, companies dealing in handmade ceramics for decoration are basically required to follow these patterns of market behavior to become more competitive in the marketplace and strengthen their customer base.
- Coverage of ceramic goods for America is somewhat complicated so this could be considered a threat to small businesses entering the American market; because it is not possible to have wide coverage as not all states have optimal business conditions for this product. According to the office of Pro Ecuador in New York,

the main states where trade in handicrafts in the United States occurs are: California, being the main entry of products from Asia and Mexico; New York, New Jersey, and Connecticut, due to a high concentration of craft vendors. (Amaluisa, 2013) The Chinese market could be a threat for companies that want to enter the American market as its industry can in fact provide the coverage where other small, emerging business cannot.

- As for the price, this can be threatened by parts from China or other Asian countries as these produce on a large scale and distribute to multiple channels worldwide; thus, their prices become much lower than the pieces made by craftsmen. Labor in Asia is usually very cheap, which lowers costs compared to other countries where labor is expensive, especially labor of an artisan makes his or her pieces by hand.
- The existence of substitute products such as handicrafts made of wooden, aluminum, tagua, iron, etc. Because similar products to what *Cerámica Alfarero* makes exist in these materials consumers may opt to buy these at a lower price as an alternative to ceramic crafts for decorating their homes. It may not be parts of the same quality, design, or shape, but they will be crafts that virtually give the same decorative result.

3.4 Porter Five Forces Analysis

3.4.1 Entry barriers

When a new competitor wants to enter an industry, it is necessary that they have all the resources to do so. The ceramic industry in many countries mostly has an infrastructure suitable for the production of ceramic to meet demand in their countries alone. Many do not yet have the ability to produce on a larger scale, and fast enough, to export their products to the American market; due in part to compliance issues, product quality, and other important aspects.

It is considered that the entry barriers for new competitors in this industry are low as there are not many relevant barriers for entry into the United States market. China, Italy, Mexico, and Peru have years of experience exporting handicrafts to the American market and meet the technology, branding, and quality standards required to do business in the U.S.; especially Italy, so any other country that would like to enter this market could do so, provided they meet certain income requirements.

- Investment required: One of the main aspects of investment in this industry is training for each of the departments of a business: accounting, management, technicians, craftsmen, public relations, exports, etc. It is also necessary for the company to invest in new machinery with advanced technology that produces better quality ceramic; this helps reduce costs by minimizing waste and maximizing production. It is also necessary to invest in advertising to help promote the brand in the American market. In this case, the investment needed becomes a high barrier as some exporting countries are already recognized in the American market due to their gained experience and recognition.
- Experience curve: The ceramic industry in countries like China, Peru, Italy, and Mexico have been exporting to the United States market for years. The best known, and best selling, country is the Chinese industry due to their low prices; because labor in Asian countries is much cheaper than other competing countries. However Chinese ceramics are mass produced, not by artisans who decorate the pottery by hand. Countries such as Mexico, Peru, and Italy still export their parts made by artisans, however some are manufactured in series. The experience curve of the ceramic industry in these countries is high because they are already recognized in the United States market.
- Product differentiation: Differentiation of crafts in the ceramics industry is high because each piece represents the culture of the country it comes from. For example, Peruvian handmade pottery is known for utilitarian and decorative

pottery called “Chulucanas” from the Vicus and Tallan cultures that existed approx. 500 years ago. Peruvian ceramic is made by burning and painting a special decoration in “negative,” different designs and shapes. (*Ceramica Chulucanas*, 2013).

In Mexico, pottery is nationally and internationally recognized; the most famous is from Puebla, known as the “Talavera;” which has influences from Mexico, China, the Persia, and Spain. It is one of the most expensive ceramics because it can take three to six months for each piece. (eHow, 2014)

- Access to distribution channels: Access to distribution channels is high as there are many wholesale channels such as Home Depot, Pottery Barn, Walmart, Target, and Costco. Also there are huge department stores like Macys, Bloomingdales, Marshalls, etc. In addition, there are craft fairs or Gift Shows taking place every year specially dedicated to crafts from around the world where brands, as well as new and innovative crafts, are exhibited.
- Branding: It is low because most people who decorate their homes do not shop specifically by brand, rather they purchase furnishings that caught their attention either by for their shape, design, or color; usually they will go to places like Home Depot or Bed Bath and Beyond, where they can find a wide range of parts of different colors, shapes and designs to choose from. However, collectors of decorative and utilitarian crafts, because of the knowledge they have of the pieces, may choose the product because of the brand, usually from prestigious galleries where they can find unique and higher quality items.
- Governmental barriers: United States government barriers for entry for handicrafts are low. Concerning tariff barriers specifically for crafts, 691390, which represent the statuettes and other ornamental ceramic, excluding porcelain, some countries pay a tariff rate of 0% to enter the American market, such as

Ecuador, Peru, Mexico, Brazil, and India. China, Italy, Vietnam and Germany pay an ad valorem tariff of between 1.1% and 1.5%. (Trade Map)

4. Current and potential trade between Ecuador-United States, 2012

Producto: 691390 estatuillas y demas objetos de adorno de ceramica, excepto los de porc

Tabla Gráfico Mapa Empresas

Exportar hacia número de líneas por página: Por defecto (25 por página)

SH8	Código del producto	Descripción del producto	Ecuador exporta hacia Estados Unidos de América				Estados Unidos de América importa desde el mundo			Ecuador exporta hacia el mundo			Comercio potencial indicativo en miles de USD
			Valor 2012, en miles US\$	Tasa de crecimiento anual en valor entre 2008-2012, % p.a.	Participación en las exportaciones de Ecuador, %	Arancel equivalente ad valorem aplicado por Estados Unidos de América a Ecuador	Valor 2012, en miles US\$	Tasa de crecimiento anual en valor entre 2008-2012, % p.a.	Participación en las importaciones mundiales, %	Valor 2012, en miles US\$	Tasa de crecimiento anual en valor entre 2008-2012, % p.a.	Participación en las exportaciones mundiales, %	
+	691390	estatuillas y demas objetos de adorno de ceramica, excepto los de porc	3	-36	2,6	0	334.804	2	29,6	114	0	0	111
+	691310	estatuillas y demas objetos de adorno de porcelana	1	-13	100	0	86.322	-13	12,3	1	-34	0	0

5. Current and potential trade between Italy-United States, 2012

Producto: 691390 estatuillas y demas objetos de adorno de ceramica, excepto los de porc

Tabla Gráfico Mapa Empresas

Exportar hacia número de líneas por página: Por defecto (25 por página)

SH8	Código del producto	Descripción del producto	Italia exporta hacia Estados Unidos de América				Estados Unidos de América importa desde el mundo			Italia exporta hacia el mundo			Comercio potencial indicativo en miles de USD
			Valor 2012, en miles US\$	Tasa de crecimiento anual en valor entre 2008-2012, % p.a.	Participación en las exportaciones de Italia, %	Arancel equivalente ad valorem aplicado por Estados Unidos de América a Italia	Valor 2012, en miles US\$	Tasa de crecimiento anual en valor entre 2008-2012, % p.a.	Participación en las importaciones mundiales, %	Valor 2012, en miles US\$	Tasa de crecimiento anual en valor entre 2008-2012, % p.a.	Participación en las exportaciones mundiales, %	
+	691390	estatuillas y demas objetos de adorno de ceramica, excepto los de porc	4.945	-7	17,1	1,5	334.804	2	29,6	28.942	-4	2,3	23.997
+	691310	estatuillas y demas objetos de adorno de porcelana	765	-8	6,3	1,1	86.322	-13	12,3	12.212	15	0,5	11.447

6. Actual and Potential trade between China and the United States 2012

Producto: 691390 estatuillas y demas objetos de adorno de ceramica, excepto los de porc

Tabla Gráfico Mapa Empresas

Exportar hacia número de líneas por página: Por defecto (25 por página)

SH8	Código del producto	Descripción del producto	China exporta hacia Estados Unidos de América				Estados Unidos de América importa desde el mundo			China exporta hacia el mundo			Comercio potencial indicativo en miles de USD
			Valor 2012, en miles US\$	Tasa de crecimiento anual en valor entre 2008-2012, % p.a.	Participación en las exportaciones de China, %	Arancel equivalente ad valorem aplicado por Estados Unidos de América a China	Valor 2012, en miles US\$	Tasa de crecimiento anual en valor entre 2008-2012, % p.a.	Participación en las importaciones mundiales, %	Valor 2012, en miles US\$	Tasa de crecimiento anual en valor entre 2008-2012, % p.a.	Participación en las exportaciones mundiales, %	
+	691310	estatuillas y demas objetos de adorno de porcelana	428.861	46	18	1,1	86.322	-13	12,3	2.384.345	68	90,7	
+	691390	estatuillas y demas objetos de adorno de ceramica, excepto los de porc	188.054	35	24,6	1,5	334.804	2	29,6	763.532	29	59,5	146.750

Source: (Trade Map)

Non-tariff barriers to ceramic handicrafts are:

- Within the labeling of parts exported for decorative purposes, it is indicated if they contain lead and cadmium. In the case of containing these substances, it must be labeled as such to prohibit its use in food.
- If parts are exported for decorative use only, they do not require any permission to enter the country. However, if the pieces are especially for serving meals, then the parts must be subject to the rules of the Food and Drug Administration (FDA), due to cadmium and lead that could be in the paints used in the pieces for decoration which can affect health. (Ministry of Public Works)

As can be seen, tariff and non-tariff barriers are low, as they are not as restrictive. Therefore there is easy access to the American market for this industry as long as the export parameters for entering the country are followed.

- Retaliation: America is a country where there is a lot of competition in most industries, but in the case of handicrafts, manufacturers are outside of the country so they have no control of this industry. However, competitors who are already established in the market could retaliate to prevent the entry of a new competitor, such as promoting aggressive advertising or reducing the price of products in order so the new company can not compete.

Maintaining the quality of decorative and utilitarian ceramics is expensive due to the process and labor involved in each piece; however, it is not a mass produced product, nor is it any kind of commodity, so retaliation would not be a barrier of concern coming into this industry.

3.4.2 Threat of potential substitutes

Currently there are certain materials for the production of handicrafts in the world which represent the culture and traditions of each country. Among these materials we can find wood, tagua, aluminum, glass, and wrought iron.

- Availability of substitutes: The level of substitute products is high because home decor comes in different forms, for example: statues, hand-carved wood, straw hats, traditional textiles, basketry, decorative glassware, paintings and pictures, products made of aluminum and wrought iron, decorative and utilitarian made from tagua pieces, etc.
- Relative price of substitute product and offered product: Price from substitute products and pieces of decorative and utilitarian ceramics varies depending on the product since the materials used in the parts are different. For example, parts made of aluminum, basketry, or textiles are much cheaper than ceramic and some of them do not need as long to manufacture the parts. However if there are other materials, that can cost more than ceramic like wood, silver, or gold. Thus, the relative price between the substitute product and decorative and utilitarian pottery is medium, allowing consumers to opt for getting cheaper materials or get better quality and more expensive ones than those offered.
- Performance and quality comparison between the product offered and its replacement: This depends upon the material it is made of, although the ceramic is very fine and good quality, it is prone to break easily. Many consumers prefer to purchase products that are more resistant, items made from materials such as wood, iron, or aluminum.
- Switching cost for the customer: Decorative and utilitarian pottery is not for just any home, it is expensive and even more if it is made by hand. Most customers who purchase handmade ceramics have a traditional, elegant decor in their home.

These types of clients will usually not look for items containing lower cost materials; so the level of switching cost for the customer would be low since although many substitute products may be cheaper, they beyond compare to a fine piece of quality handmade pottery.

3.4.3 Bargaining power of suppliers

- Concentration of suppliers: Inside the ceramic industry suppliers are not abundant, as the clay mines are not found everywhere. These are located in specific geographical areas; there are also several types of clay so not all mines of this raw material are intended for handicrafts, which is why the concentration of suppliers of clay for decorative and utilitarian pottery is not very high.
- Importance of volume to suppliers: In this industry pottery is intended for decorative and utilitarian crafts, so usually their pieces are not mass produced, as most of them are made by hand, which does not help really high production volumes. Depending on craft sales raw material is requested for processing so that in some countries, such as Mexico and Peru, they have a considerable amount of clay mines for developing their pottery to market to the United States. However in smaller countries with fewer mines, the volume of raw material is very low since it does not have many exports in this sector, resulting in higher volume for competing suppliers.
- Differentiation of inputs: Finding mines is not very complicated for exporters of ceramic clay, but finding good quality clay is not so easy. It depends on the geographical location and the components of the clay that determines quality. For example, Talavera pottery in Mexico is considered one of the finest ceramics in the world for its finesse, quality, and complex production process, which is why its price is very high in comparison to other ceramics. Similarly, ceramics from Italy are considered one of the best because of its excellent quality and finish.

The level of differentiation of inputs is intermediate because they are similar according to the quality of its inputs.

- Availability of substitute inputs: Pottery has to be made with clay; there is no other material that could be used as a substitute. Therefore the availability of substitute inputs for the preparation of ceramic is low.
- Impact of inputs: The location of the mines determines how fine the raw material is, i.e. clay. If mines have fine clay, the supplier can raise the cost of raw materials as the absence of many mines suppliers can set a high price. Yet few mines possess quality clay so providers maintain a standard price.

3.4.4 Bargaining power of customers

- Customer concentration: The pottery industry is directed to a segment of adults with upper middle income as household decoration involves a considerable expense because of the work involved in handicrafts processing. As such, customer concentration is low compared to other industries such as food or textiles where its products are sold widely.
- Purchase Volume: Being that the pottery industry is small, there is not a high volume of purchases happening. Purchases in this industry are usually made on special occasions, maybe every two or three years when a customer decides to update or redecorate their home decor.
- Differentiation: Depending on the culture or country the ceramic, the differentiation between them is usually very large; either for their designs, colors, texture, quality, or history; therefore, the bargaining power is lower for the customer.

3.4.5 Rivalry among existing competitors

- **Concentration:** There aren't many companies dedicated to the production of ceramics as it is a very laborious and also very delicate product. As detailed above, the industry is scattered among few countries like Peru, Italy, Mexico, China and other countries that export in smaller quantities to the United States. Product prices vary depending on the quality and designs. The concentration of ceramic pottery is not very strong as they are pieces that are not for all consumers and not sold in mass.
- **Diversity of competitors:** Although there is a large number of competitors in this industry they are very different because each of them belongs to a different culture, thus each of its pieces are different from those of other potters.
- **Terms of costs:** Rent in the United States is significantly higher, even more if a store is in a strategic location. Thus, many artisans prefer to deliver their products to retailers or wholesalers depending on their level of production. Chinese potters deliver their products to wholesalers like Home Depot, Pottery Barn, Macy's, etc. as these are mass produced. However for those artisans who make their pieces by hand it is very difficult to distribute their products to shops since the manufacturing process is delayed and the level of production is not as high. Fixed costs such as rent, salaries, taxes, and fees make the cost of decorative ceramics high. As for the variable costs, this depends a lot on demand; if this is high then more raw material is needed.
- **Product differentiation:** As previously detailed, differentiation of decorative and utilitarian pieces of pottery is very large because each piece belongs to a specific country and culture, creating endless options for the consumer. If the consumer is an avid collector of crafts then competition is lower.

After analyzing the five forces it can be noted that the competitive trend in this industry is not as high so there is room and opportunity to grow. The United States is a very attractive sector because many Americans appreciate the cultures of the world, especially those who are collectors of crafts. Because ceramics involves a laborious and complex process consumers do not have much bargaining power, so they pay what the product is worth depending on the quality. In addition, both tariff and non-tariff barriers are low because the Ecuador pays a 0.00% rate for the entry of ceramic handicrafts; also, there are few entry requirements.

3.5 Critical Factors

Critical factors are the most relevant and essential for a company to achieve success and efficiency within a particular industry. Factors depend on the business being innovative and different from the competition in order to retain and attract new customers.

- Security for online purchases: Security certificates are an additional measure of confidence for the people who visit and shop within a site. Personal data is encrypted from “hackers,” potentially improving customer confidence.
- Product Design: A physical or electronic catalog must contain a plurality of products with a variety of designs, shapes, colors, finishes, and materials. It is necessary that the website or the catalog provide a true and accurate view of the product.
- Quality: The technical specification of the products makes a difference in online shopping because the customer cannot physically handle merchandise. The listings should detail the characteristics of the product, for example: resistance of materials, durability, quality, and usefulness. This gives the customer confidence in a safe and effective manner.

- Availability: All products displayed in the electronic catalog must maintain effective stock availability to shorten the delivery date of the product purchased. Extra production should be maintained since production time is relatively long.
- Warranty: Items should be rigorously reviewed, avoiding imperfections in the finished product. Packaging is also important to withstand handling during transit, so as to reach the hands of the buyer in perfect condition. As an exception, if the product does not arrive in good condition, then a refund should be issued or replacement made, in order to maintain customer satisfaction.
- Trade: Artisanal events are an important means of promotion in the United States because it is possible to contact distributors, meet suppliers, and discover new machinery and technology; plus one can learn new techniques and trends.
- Exhibition: To enter the American market, the beauty of Ecuadorian ceramic must be displayed at certain strategic points in the United States, particularly in high traffic areas, like: airports, plazas, shopping centers, etc; thereby reaching the attention of the consumer.

CHAPTER IV

STRUCTURE OF THE APPLICATION OF AN INTERNATIONAL E-MARKETING STRATEGY

4.1 Strategy Formulation

To begin, it is essential that *Cerámica Alfarero* have a website, because without it would be very difficult to market overseas. However the price of a web page can be very high so there are options to create free websites like the following:



Once the website is created then they can implement e-marketing strategies. While all e-marketing strategies proposed in the first chapter are very feasible to promote a brand, not all are feasible for implementation by *Cerámica Alfarero*. After making an analysis of e-marketing strategies, in both the micro and macro environment, we concluded that the company should implement the following strategies to promote their brand in the United States

4.1.1 Affiliate Marketing

Being a new company, they may need help from companies that already have similar recognition in the American market by advertising on their sites. Affiliate marketing is based on a list of subscribers where the ad company interested is published on the

websites of these subscribers. Unlike pay per click, where a person pays for every click, a user advertises a specific company on their website. Affiliate marketing does not charge for clicks rather the promoter (or affiliate) receives a commission on any sale made through their own advertising efforts. In conclusion, it is marketing that works by results, not advertising alone.

Here are some options of affiliate pages that *Cerámica Alfarero* could “join” as an advertiser. The best thing about using affiliate marketing is that the work is done by experts in the field, which saves the company time and money.

4.1.1.1 Share Results

It is an affiliate website where the purpose is to create a database of both affiliates’ and advertisers’ products and services. Members arrange to advertise the products or services advertised, and when a user has made a purchase via their website the advertiser receives the purchase money and the affiliate earns a commission for being the intermediary.

The first step to join the affiliate network is to click on the ‘Affiliate Network Solutions’ button.



In the second step you must complete the information requested, like: the company name, website URL, the name of its representative, email, etc. After these steps, Share Results will contact the company to start the affiliate program. Share Results will be responsible for promoting the products or services of the company through its network of affiliates.

SHARE RESULTS complete affiliate marketing software & solutions

Home Software Network SEM Management About us Contact us

Affiliate Program Information Request

If you would like your own affiliate tracking software solution, or would like to launch an affiliate program in our affiliate network, fill in the form below.

FIELDS MARKED * ARE MANDATORY

Request Type: *

Full Name: *
Please enter your full name

Job Title: *

Organization Name: *

Organization Website: *
Please enter your Website URL

Organization Type: *

Email: *
Please enter your email

Phone: *
Please enter a phone number where we can contact you

Country: *

How did you hear about us?: *

Add any additional comments here: *

Chief Operating Officer

Name: Nicole Fortunato

Contact Me: +1 514 284 6769 ext 325

[My Profile](#)

nicole@shareresults.com

Latest News

Banque Scotia: Crjatifs ...
Banque Scotia et Share Results sont heureux de vous présenter l'addition...
[Affiliate Blog](#)

Scotiabank: New French Creative
Scotiabank and Share Results are excited to introduce the addition of...
[Affiliate Blog](#)

Zaplo Launches Affiliate Program ...
Short-Term Lender Starts Affiliate Program on Online Marketing Firm's...
[Press Releases](#)

4.1.1.2 Zanox

This is another example of a website dedicated to Affiliate Marketing with the same system and affiliate network that Share Results advertisers.

Since *Cerámica Alfarero* wants to promote their products, they must choose the option 'Advertisers.' This option will allow the company to sell its products to a targeted audience and will pay an agreed rate only when the user purchases a product through an affiliate website.

[LOGIN](#)
[REGISTRATE](#)

[AFILIADOS](#)
[ANUNCIANTES](#)
[AGENCIAS](#)
[LO QUE OFRECEMOS](#)

¿HAS OLVIDADO TU CONTRASEÑA?

Los anunciantes venden sus productos y servicios a un público objetivo y sólo pagan cuando les han pagado.

RED Nº 1 EN EUROPA
¡Empieza a ganar dinero online!

ANUNCIANTE & AGENCIAS
SOLICITA UNA PROPUESTA!

AFILIADO
¡REGÍSTRATE GRATIS!

Es nuestra prioridad ofrecerte seguridad y confianza para que tu información sea segura y accesible cuando la necesites.

TRACKING MÓVIL COMPLETO

4,200 ANUNCIANTES

>90 MILL. DE TRANSACCIONES AL AÑO

5 BILLONES DE EUROS EN VOLUMEN DE VENTAS

RED AMPLIA Y DE CALIDAD



zanox para afiliados

- ✓ Muestra creativities en tu página web y gana dinero al generar ventas y registros.
- ✓ Benefícate de nuestra red global de marcas de alta calidad y atractivas promociones.
- ✓ Nuestras estadísticas te permiten realizar el seguimiento de tus programas e incrementar los resultados.

📌 Gana dinero online



¡REGÍSTRATE AHORA!



zanox para anunciantes

- ✓ Vende tus productos y servicios a un público segmentado y paga sólo cuando te hayan pagado.
- ✓ Consigue la máxima cobertura a través de nuestra red global de afiliados gracias a la gran variedad de tipología de afiliados.
- ✓ Determina tu modelo de comisión y lleva el seguimiento de tus resultados

📌 Aumenta tus ventas



¡SOLICITA UNA PROPUESTA!



Quiénes somos

- ✓ Somos la red de marketing de resultados líder en Europa.
- ✓ Nuestro objetivo es crear relaciones satisfactorias entre anunciantes y afiliados con el objetivo de incrementar vuestro éxito online.
- ✓ Damos gran importancia a la transparencia y la calidad.

📌 Lo que ofrecemos

In the second step, you must fill out a form with the details of the company and its representative.

zanox.

Configuración de la cuenta de usuario

Detalles de la cuenta Configuración de la cuenta Espacio publicitario

Detalles de contacto

Compañía » Ceramica Alfareo

Título » Compañía

Nombre » Casa

Apellidos » Ochoa

Número de teléfono » +593994962617

Correo electrónico » karlcapesantiz@gmail.com

☐ Usar mi email como nombre de usuario

Nombre de usuario » ceramicaAlfareo

Contraseña »

Contraseña correcta

Verificar contraseña »

País » Ecuador

Dirección » Camino de las Pencas S/N

Ciudad » Cuenca

Código postal » ec010217

☒ Si, he leído y aceptado las condiciones de participación, la protección de datos, el marketplace user agreement y los términos y condiciones de marketplace.

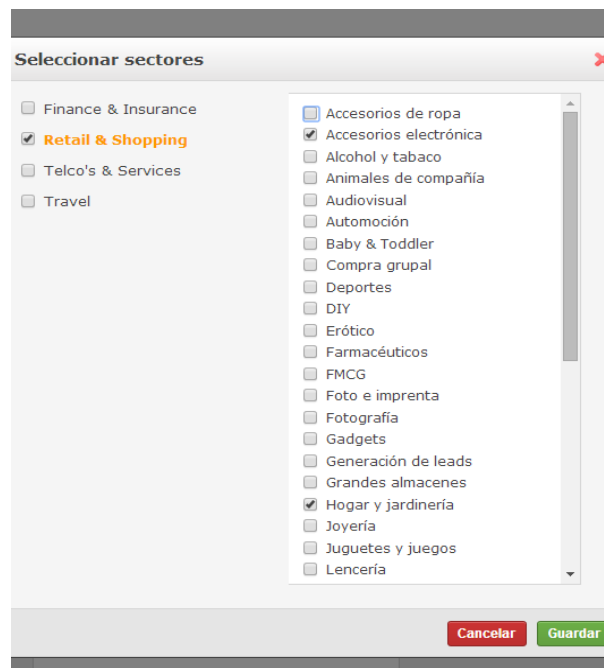
Siguiente paso

You should choose the type of currency you want to use to pay and be paid in.



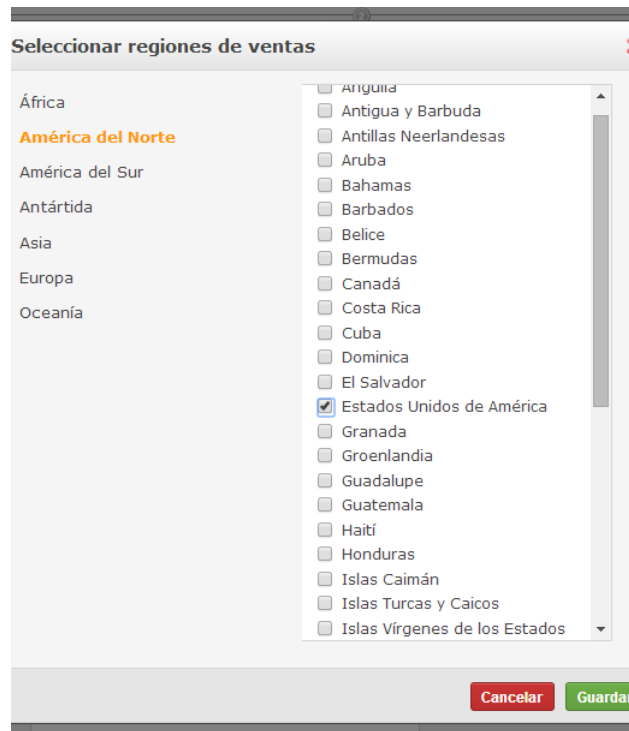
The screenshot shows the 'Configuración de la cuenta de usuario' (User Account Configuration) page for ZanoX. It features a progress bar at the top with three steps: 'Detalles de la cuenta', 'Configuración de la cuenta' (the current step), and 'Puntos de contacto'. The 'Configuración' section includes a dropdown menu for 'Divisa' (Currency) set to 'Estados Unidos, Dólar Estadounidense'. Below this, there is a checkbox for 'Estoy operando en una compañía fuera de la Unión Europea' (I am operating in a company outside the European Union). The 'Newsletter' section has a checkbox for 'Me gustaría recibir' (I would like to receive) and three sub-options: 'Informes semanales incluyendo resúmenes de programas, promociones y estadísticas de la cuenta', 'Noticias especiales de zonas', and 'Noticias de mis anuncios'. At the bottom right, there are 'Volver' (Back) and 'Guardar' (Save) buttons.

Then you must select the areas of interest of the company; in this case, 'Retail and Shopping' or even 'Home & Garden.'



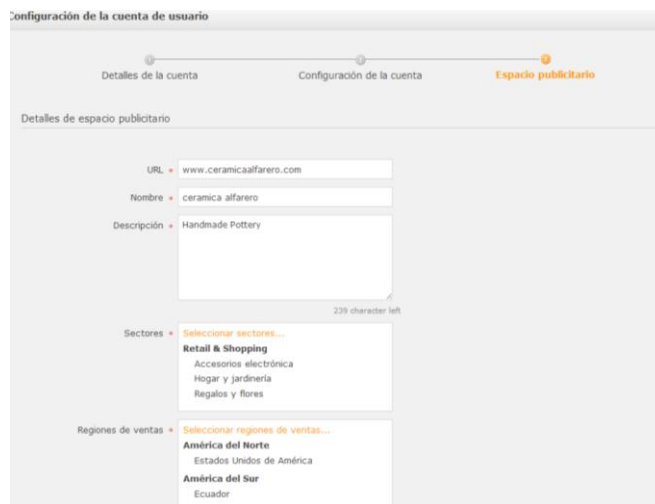
The screenshot shows a 'Seleccionar sectores' (Select sectors) dialog box. It has a close button (X) in the top right corner. The dialog is divided into two columns of checkboxes. The left column lists broad categories: 'Finance & Insurance', 'Retail & Shopping' (which is checked and highlighted in orange), 'Telco's & Services', and 'Travel'. The right column lists more specific sub-categories, including 'Accesorios de ropa', 'Accesorios electrónica' (checked), 'Alcohol y tabaco', 'Animales de compañía', 'Audiovisual', 'Automoción', 'Baby & Toddler', 'Compra grupal', 'Deportes', 'DIY', 'Erótico', 'Farmacéuticos', 'FMCG', 'Foto e imprenta', 'Fotografía', 'Gadgets', 'Generación de leads', 'Grandes almacenes', 'Hogar y jardinería' (checked), 'Joyería', 'Juguetes y juegos', and 'Lencería'. At the bottom right, there are 'Cancelar' (Cancel) and 'Guardar' (Save) buttons.

Next, you choose the sales regions where you want to market your product. In this case, the United States would be chosen.



The screenshot shows a dialog box titled "Seleccionar regiones de ventas" with a close button (X) in the top right corner. On the left, there is a list of continents: África, América del Norte (highlighted in orange), América del Sur, Antártida, Asia, Europa, and Oceanía. On the right, there is a scrollable list of countries. The "Estados Unidos de América" is selected with a checked checkbox. Other countries listed include Arguila, Antigua y Barbuda, Antillas Neerlandesas, Aruba, Bahamas, Barbados, Belice, Bermudas, Canadá, Costa Rica, Cuba, Dominica, El Salvador, Granada, Groenlandia, Guadalupe, Guatemala, Haití, Honduras, Islas Caimán, Islas Turcas y Caicos, and Islas Vírgenes de los Estados. At the bottom right, there are two buttons: "Cancelar" (red) and "Guardar" (green).

Finally, add the URL of *Cerámica Alfarero*, the name of the website, and a brief description of what the company sells; such as: Handmade pottery.



The screenshot shows a form titled "Configuración de la cuenta de usuario". At the top, there is a progress bar with three steps: "Detalles de la cuenta", "Configuración de la cuenta", and "Espacio publicitario" (highlighted in orange). Below the progress bar, the section "Detalles de espacio publicitario" contains several input fields: "URL" with the value "www.ceramicaalfarero.com", "Nombre" with the value "ceramica alfarero", and "Descripción" with the value "Handmade Pottery". Below the description field, there is a character count "239 character left". Under the "Sectores" label, there is a dropdown menu showing "Retail & Shopping" and its sub-items: "Accesorios electrónica", "Hogar y jardinería", and "Regalos y flores". Under the "Regiones de ventas" label, there is a dropdown menu showing "América del Norte" (with sub-item "Estados Unidos de América") and "América del Sur" (with sub-item "Ecuador").

And done, *Cerámica Alfarero* is now part of the Zanox network.




4.1.2 Search Engine Optimization

Finding the name of a product, service, or company in a search engine is free. However for a web page to appear in the results of a search engine requires certain parameters if a business wants their listing to be higher on the list of results.

Google offers free courses for webmasters which explicitly details the steps to follow for search engine optimization.

4.1.2.1 Google




OPTIMIZA TU SITIO WEB


Sigue estos sencillos pasos para ayudar a Google a entender el contenido de tu sitio. Esta información nos ayuda a proporcionar buenos resultados a los usuarios que hacen búsquedas (¡ten en cuenta que son tus futuros clientes!).

1. UN BUEN ASPECTO EN LOS RESULTADOS DE BÚSQUEDA

- A** El título de tu página se usa como sugerencia para determinar el título que aparece en los resultados de búsqueda de Google. Por ello, te recomendamos que describas tu empresa con una frase concisa e informativa.
- B** Los nombres de dominio son una parte importante de los resultados de búsqueda de Google. Elige uno que sea descriptivo y fácil de leer para tu sitio web. Por ejemplo, usa www.stasiasbakery.com/pasteles-personalizados en lugar de www.stasiasbakery.com/prodid?12345.
- C** Las metadescripciones son resúmenes de páginas que Google y otros motores de búsqueda usan a menudo en la página de resultados. Escribe descripciones únicas para cada página en un máximo de 160 caracteres.



Pastelería Stasia: la mejor pastelería de Lugo
www.stasiasbakery.com/
Una pastelería de propiedad familiar situada en el corazón de la zona más atractiva de Lugo.
Especialidades: pasteles personalizados y pastas.



Página principal/
www.ejemplo.com/
Te damos la bienvenida a la página principal de nuestra nueva tienda Acerca de | Noticias | Cómo encontrarnos

2. AYUDA A GOOGLE A ENTENDER LAS IMÁGENES

- A** Da a tus imágenes nombres breves y descriptivos.
- B** El atributo "alt" describe la imagen. Esto ayuda a Google a entender lo que se muestra en la imagen.
- C** Escribe un título breve en la página debajo de cada imagen. Coloca la información importante en forma de texto en lugar de usar imágenes.



A `` **B**

Impresiones de alta calidad de La noche estrellada de Van Gogh **C**

3. TU INFORMACIÓN, ACTUALIZADA



PROPORCIONA CONTENIDO ÚTIL Y MANTÉNLO ACTUALIZADO

Tu sitio web es como un escaparate virtual. ¿Verdad que no dejarías un escaparate desatendido durante 6 meses? Pues mantén tu sitio actualizado: empieza a escribir un blog para presentar nuevos productos, ventas y ofertas especiales. Ponte en la piel del cliente y ofrece la información que te gustaría encontrar.

For those who want to improve search results on the web, the Google Webmaster academy is where you can see detailed instructional videos for proper use of search engines. The following explains, step by step, how to optimize a website so your website can be easily on google.

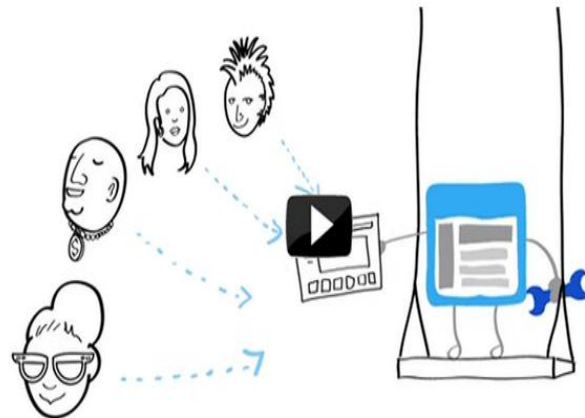
The first step is to select the 'Google Webmaster Tools' option and then a form will appear where you must fill in your information.



Quieres que te encuentren en la Red y queremos ayudarte

Datos, herramientas y diagnósticos para tu sitio web

[Iniciar sesión en Herramientas para webmasters](#)



Herramientas para webmasters de Google

Optimiza tu sitio web.
[Empieza ahora](#)



Formación para webmasters

Vídeos y artículos para que te encuentren en Google
[Más información](#)



Centro de ayuda

Solución a tus problemas y respuestas a tus preguntas.
[Ayuda](#)

In the first box you should put the website of the company. *Cerámica Alfarero* does not have a website at the moment, so a generic site was used as an example instead for this illustration. In the second box you put the name of the search engine you want to add your site to.

Búsqueda personalizada

Nuevo motor de búsqueda

Introduce el nombre del sitio y haz clic en Crear para crear un motor de búsqueda para tu sitio. [Más información](#)

► Editar motor de búsqueda

▼ Ayuda

Centro de ayuda
Foro de ayuda
Asistencia
Blog
Documentación
Condiciones de
servicio
Danos tu opinión

Sitios en los que buscar

www.ceramicaalfarero.com

www.example.com

Puedes añadir cualquiera de los elementos siguientes:

Páginas sueltas: `www.example.com/page.html`

Todo un sitio: `www.misitio.com/*`

Partes de un sitio: `www.example.com/docs/*` o `www.example.com/docs/`

Todo un dominio: `*.example.com`

Si quieres buscar páginas en toda la Web que contengan un marcado específico de `schema.org`, haz clic en la opción de "avanzado" a continuación.

Idioma

español

Nombre del motor de búsqueda

Ceramica Alfarero

► Opciones avanzadas

Al hacer clic en Crear, aceptas las [Condiciones de servicio](#).

CREAR

In the next step you must select the ‘Control Panel’ option where a form for personalized search in Google should be filled out.

Then again you must enter the name of the search engine, a brief description, choose keywords for the search engine; i.e. words that could be used by most users to find products related to ceramics. Then you select a language, in this case you should choose ‘English.’

Busqueda personalizada

Nuevo motor de búsqueda

Editar motor de búsqueda

Improservice

Configuración

Apariencia

Funciones de búsqueda

Estadísticas y registros

Empresa

Ayuda

Danos tu opinión

Aspectos básicos

Obtener ingresos

Admón.

Indexación

Opciones avanzadas

Proporciona datos básicos y preferencias para tu motor de búsqueda. [Más información](#)

Nombre del motor de búsqueda

Ceramica Alfarero

Descripción del motor de búsqueda

Descripción del motor de búsqueda.

Search engine keywords

handmade pottery, handmade ceramics, home decoration, ecuador ceramic

Edición

Gratis, con anuncios

Actualizar a Google Site Search (anuncios opcionales)

Detalles

ID de motor de búsqueda

URL pública

Obtener código

Búsqueda de imágenes

NO

Entrada de voz

SI

Idioma

English

Actualizar

After these steps, the website is ready to be found in organic search engine.


4.1.3 Pay per Click

As explained in chapter I, the pay per click system is based on the company paying an agreed per click fee when a user arrives at your site through a banner on another website. An example of Pay per Click is Google Adwords, an online advertising program that allows Google to reach potential customers for a product or service offered by a company.

Running Google Adwords includes online advertising via pay per click through keywords that facilitate user searching and the results thereof. The customer only pays for every click when a user clicks on your ad, however this does not mean that the user makes a purchase on your website. Here are the steps to publish an ad with Google Adwords:



For starters, you must enter the user's email and country of residence.



Bienvenido a Google AdWords


Empecemos a crear su cuenta.

Ingrese su dirección de correo electrónico, la zona horaria, el país y la moneda. Tenga en cuenta que no podrá cambiar esta configuración más tarde, por lo que debe elegir cuidadosamente.

Le ayudaremos a crear una cuenta y su primera campaña de anuncios en tan solo unos pasos. Introduzca su correo electrónico, zona horaria, país y moneda. No podrá cambiar esta configuración más adelante, así que le recomendamos que preste atención al hacer las selecciones.

Ingrese su correo electrónico.

País

 Ecuador

Zona horaria

(GMT-06:00) Galápagos

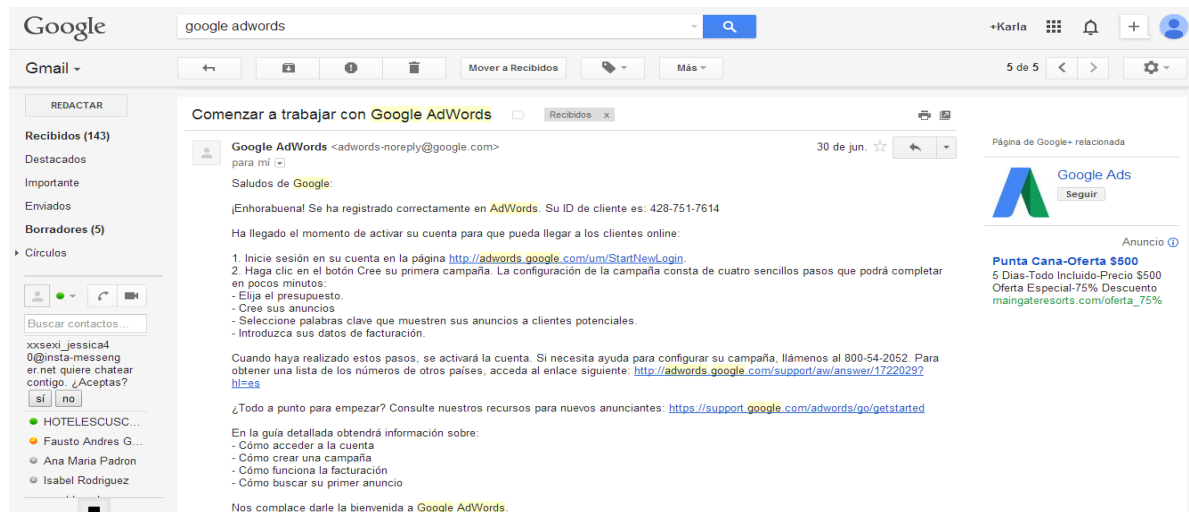
La zona horaria se utiliza para los informes y la facturación de la cuenta.

Moneda

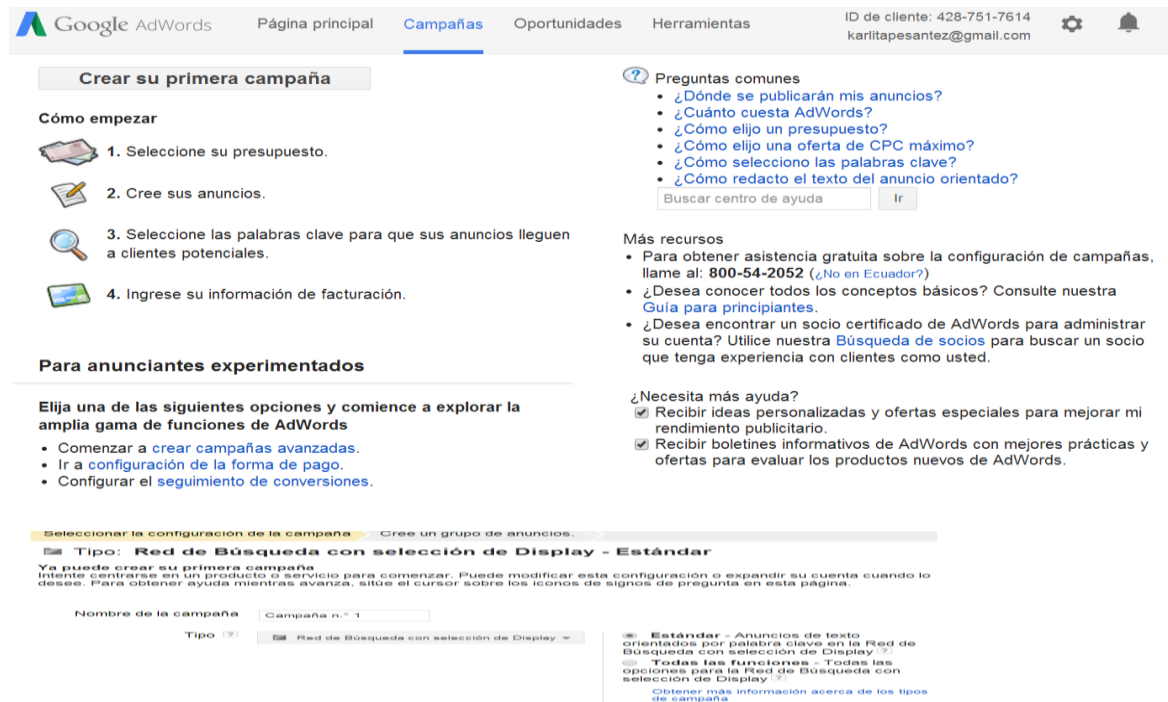
dólar estadounidense


Guardar y continuar

The second step is to check the inbox of the email provided to Google Adwords and click on the link in the email.



This will take the user to the main page of their Google Adwords account, where they can choose their budget for the advertising campaign, create an ad, choose keywords, etc.




redes  Para elegir otras redes, modifique el tipo de campaña en la parte superior o cree una campaña nueva.


✓ Red de búsqueda de Google 

☒ Incluir socios de búsqueda

✓ Red de Display de Google 

Dispositivos  Los anuncios se mostrarán en los dispositivos aptos de manera predeterminada.


You must choose the location or locations to which you want to target advertising. For this case, the United States was chosen.

Ubicaciones  ¿A qué ubicaciones desea orientar (o no) su campaña?

☐ Todos los países y territorios

☐ Ecuador

☒ Elegir...

Regiones de orientación	Alcance 	Eliminar todo
Estados Unidos - País	440.000.000	Eliminar Ubicaciones cercanas

Ingrese una ubicación para orientar o excluir: [Búsqueda avanzada](#)


Por ejemplo, un país, una ciudad, una región o un código postal

♥ Según sus regiones de orientación, quizá desee orientar sus anuncios a las páginas que emplean estos idiomas de interfaz:

- English

[Orientar a los idiomas sugeridos](#)

Afterwards, a daily budget will be chosen.

Estrategia de ofertas  Opciones básicas | [Opciones avanzadas](#)

☐ Estableceré mis ofertas para los clics de forma manual.


☒ AdWords establecerá las ofertas para maximizar los clics dentro de mi presupuesto objetivo.


Presupuesto  \$ por día


La inversión diaria real puede variar. 

Extensiones de anuncios

Puede usar esta función opcional para incluir información relevante de la empresa con sus anuncios. [Hacer un recorrido](#)

Ubicación  ☐ Extender mis anuncios con información de ubicación

Vínculos a sitios  ☐ Extender mis anuncios con vínculos a secciones de mi sitio

Llamar  ☐ Extender mis anuncios con un número telefónico

[Guardar y continuar](#)

[Cancelar campaña nueva](#)

Following this, you must enter the name for the announcement of interest; likewise, a title for the announcement, describing the product and the URL of the website of the company.

Asigne un nombre para este grupo de anuncios

Un grupo de anuncios contiene uno o más anuncios y un grupo de palabras clave relacionadas. Para obtener mejores resultados, intente centrar todos los anuncios y las palabras clave de este grupo de anuncios en un producto o servicio. [Obtenga más información sobre cómo estructurar su cuenta.](#)

Nombre del grupo de anuncios:

Crear un anuncio

Para comenzar, redacte su primer anuncio a continuación. Recuerde que siempre puede crear más anuncios después. [Obtenga información sobre cómo redactar un anuncio de texto excelente.](#)

Título

Línea descriptiva 1

Línea descriptiva 2

URL Visible

URL de destino

Below is a preview of the ad that will appear on Google.

Vista previa del anuncio: Las siguientes vistas previas del anuncio pueden tener un formato ligeramente diferente del que se muestra a los usuarios. [Más información](#)

Anuncio lateral

Ecuador handmade pottery
www.ceramicaalfarero.com
Decorative and utilitarian ceramics
Ceramic best quality and design

Anuncio superior

Ecuador handmade pottery
www.ceramicaalfarero.com
Decorative and utilitarian ceramics Ceramic best quality and design

Las extensiones de anuncios expanden el anuncio con información adicional, como la dirección de la empresa o imágenes del producto. [Hacer un recorrido](#)

The next step is the selection of key words that must be entered in the box to attract a larger number of potential customers.

Palabras clave

☐ [Seleccione palabras clave](#)

Su anuncio puede aparecer en Google cuando los usuarios busquen las palabras clave que usted seleccionó aquí. Estas palabras clave también determinarán las ubicaciones gestionadas adecuadas para sus anuncios.

Sugerencias

- Comience con entre 10 y 20 palabras clave.
- Sea específico: evite usar palabras clave con un solo término. Elija las frases que los clientes utilizarían para buscar sus productos y servicios.
- De forma predeterminada, las palabras clave son de concordancia amplia con respecto a las búsquedas para ayudarlo a atraer a una amplia variedad de tráfico relevante. Utilice [tipos de concordancia](#) para cambiar esta opción.
- Obtenga más información acerca de [cómo elegir palabras clave eficaces](#).


Ingrese una palabra clave por línea.

Ecuador

No hay palabras clave de muestra disponibles.

Nota importante: no podemos garantizar que estas palabras clave mejoren el rendimiento de la campaña. Nos reservamos el derecho de rechazar las palabras clave que infrinjan las leyes correspondientes.

Then, Google prompts you to enter personal data for billing, like: the country or territory of residence, company name, contact name, credit card, etc.



Google AdWords

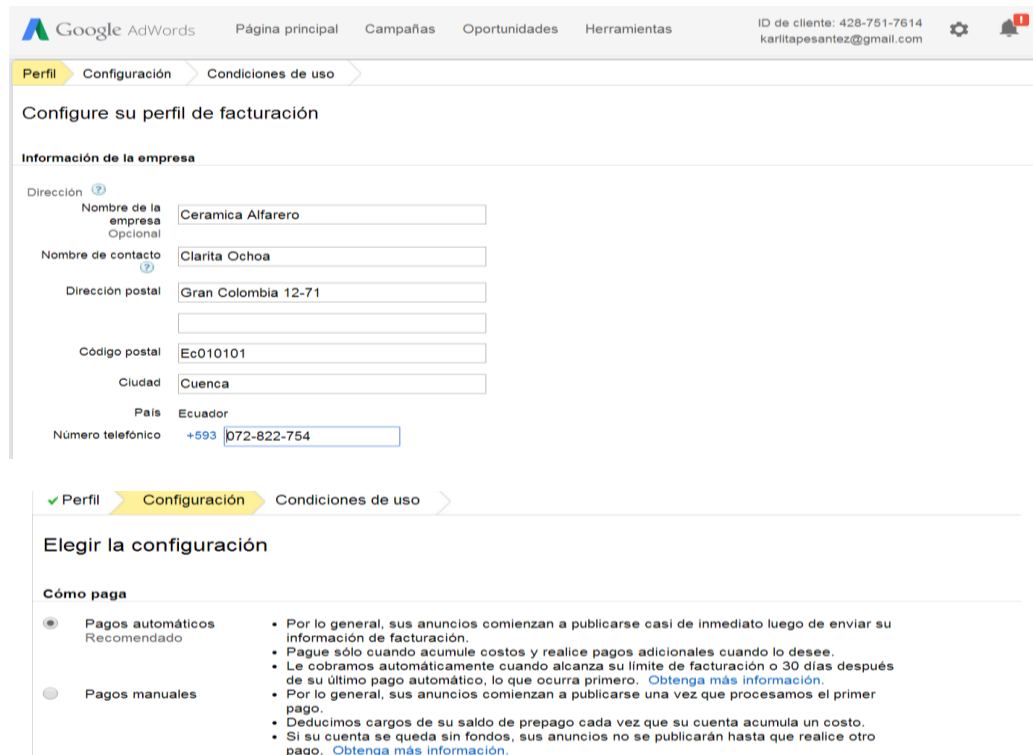
Página principal Campañas OI ID de cliente: 428-751-7614 karlitapesantez@gmail.com

Configuración de la cuenta

1. Elija el país o territorio correspondiente a su dirección de facturación.
Esta elección puede afectar a las [opciones de pago](#) que encontrará en el paso siguiente.

Ecuador

Continuar »



Google AdWords

Página principal Campañas Oportunidades Herramientas ID de cliente: 428-751-7614 karlitapesantez@gmail.com

Perfil Configuración Condiciones de uso

Configure su perfil de facturación

Información de la empresa

Dirección ?

Nombre de la empresa Opcional Ceramica Alfarero

Nombre de contacto ? Clarita Ochoa

Dirección postal Gran Colombia 12-71

Código postal Ec010101

Ciudad Cuenca

País Ecuador

Numero telefónico +593 072-822-754

✓ Perfil Configuración Condiciones de uso

Elegir la configuración

Cómo paga

☒ Pagos automáticos Recomendado

- Por lo general, sus anuncios comienzan a publicarse casi de inmediato luego de enviar su información de facturación.
- Pague sólo cuando acumule costos y realice pagos adicionales cuando lo desee.
- Le cobramos automáticamente cuando alcanza su límite de facturación o 30 días después de su último pago automático, lo que ocurra primero. [Obtenga más información.](#)
- Por lo general, sus anuncios comienzan a publicarse una vez que procesamos el primer pago.
- Deducimos cargos de su saldo de prepago cada vez que su cuenta acumula un costo.
- Si su cuenta se queda sin fondos, sus anuncios no se publicarán hasta que realice otro pago. [Obtenga más información.](#)

☐ Pagos manuales

☒ Tarjeta de crédito o débito Los pagos se cargarán en su tarjeta de crédito o débito. [Obtenga más información.](#)



Tarjeta de crédito o débito

Número de tarjeta de crédito o débito



Fecha de caducidad

Código de verificación [¿Qué es esto?](#)

Nombre del titular

Domicilio de facturación [?](#)

Pais/región

Dirección postal

Código postal

Ciudad

4.1.3 Social Networks

Using social media to promote a product or service is very important for any company that wants to attract new customers or retain existing ones. Millions of people deal with all kinds of social networks in the world today, which is why they are considered a very cost effective and viral way to promote any brand.

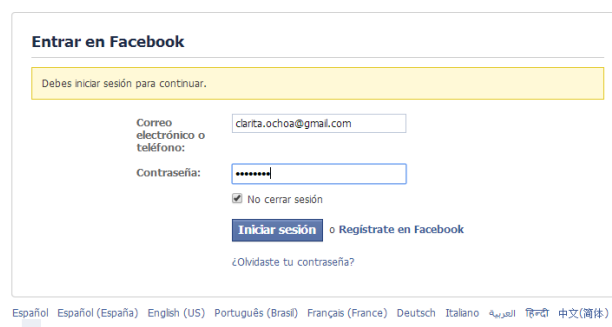
The following shows how to prepare a business account on these social networks in the United States for the promotion of products and services.

4.1.3.1 Facebook

The first step is to click on 'Create a page' for a public figure, a band, or business. The company must have a registered account on facebook as this will be administering the page.



The image shows the Facebook registration page. At the top, there is a blue header with the Facebook logo and a login section. Below the header, on the left, is a graphic with the text "Facebook te ayuda a comunicarte y compartir con las personas que forman parte de tu vida." On the right, under the heading "Regístrate", it says "Es gratis y lo será siempre." There are input fields for "Nombre", "Apellidos", "Tu correo electrónico", "Vuelve a escribir tu correo", and "Contraseña". Below these is a "Fecha de nacimiento" section with dropdowns for "Día", "Mes", and "Año", and radio buttons for "Mujer" and "Hombre". A green "Terminado" button is at the bottom. At the very bottom, there is a link to "Crear una página para un personaje público, un grupo de música o un negocio."



The image shows the Facebook login page. At the top, it says "Entrar en Facebook". Below this is a yellow box with the text "Debes iniciar sesión para continuar." There are input fields for "Correo electrónico o teléfono:" and "Contraseña:". Below the password field is a checkbox for "No cerrar sesión". There are two buttons: "Iniciar sesión" and "Regístrate en Facebook". At the bottom, there is a link "¿Olvidaste tu contraseña?". At the very bottom, there is a row of language links: Español, Español (España), English (US), Português (Brasil), Français (France), Deutsch, Italiano, العربية, 繁體中文, 简体中文.

The next step is to select the type of page to create. For *Cerámica Alfarero* we choose the most appropriate option, ‘Brand or product.’



Then you must choose a category. Since Alferero Pottery sells ceramic decor for homes we should select the ‘Interior Design’ option.

 **Crear una página**
Crea una página de Facebook para establecer una relación más estrecha con tu público y clientes.

Páginas que me gustan | Páginas que administras


Lugar o negocio local



Empresa, organización o institución



Artista, grupo musical o personaje



Entretenimiento



Causa o comunidad


Marca o producto
Decoración de interiores
Elige una categoría
Alimento/Bebidas
Artículos del hogar
Artículos para Bebés/Artículos para Chicos
Automóviles
Bags/Luggage
Camera/Photo
Cocina/Cocción
Computadores
Decoración de interiores
Electrodomésticos
Electrónica
Equipo Comercial
Health/Beauty
Herramientas/Equipo
Jewelry/Watches
Juego de mesa
Juegos/Jugetes
Materiales de construcción
Medicamentos


Lugar o negocio local


Empresa, organización o institución


Artista, grupo musical o personaje público


Entretenimiento


Causa o comunidad

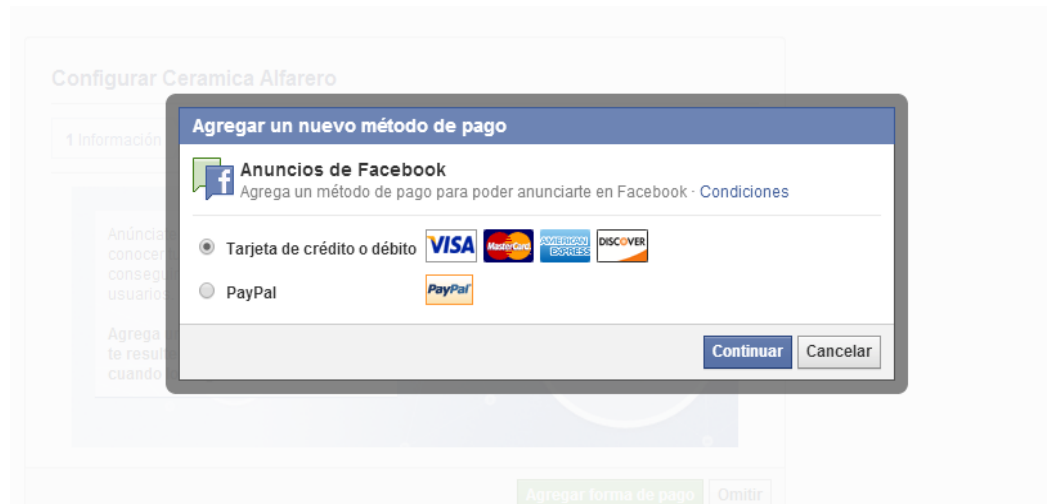
Marca o producto
Decoración de interiores
Ceramica Alfarero
Al hacer clic en "Empezar", aceptas las Condiciones de las páginas de Facebook.
Empezar

In the next step they should describe the page so customers can understand a little better what the company is about. In the second box, enter the requested company website, twitter account, etc; so the public will have better access to the products or services offered by the company.

For best viewing of the site, it is suggested that a profile picture be upload. You could choose a photo of the logo of the company or product that draws attention.

Since the page should be managed by an existing account on Facebook, it is suggested that this be added to the favorites section to have easier access at any time.

The last step is optional; Facebook offers advertising campaigns for the company in exchange for an agreed payment rate.



If you don't want paid advertising, the page is created and is now ready to use. Paid advertising is, however, encouraged for better results.

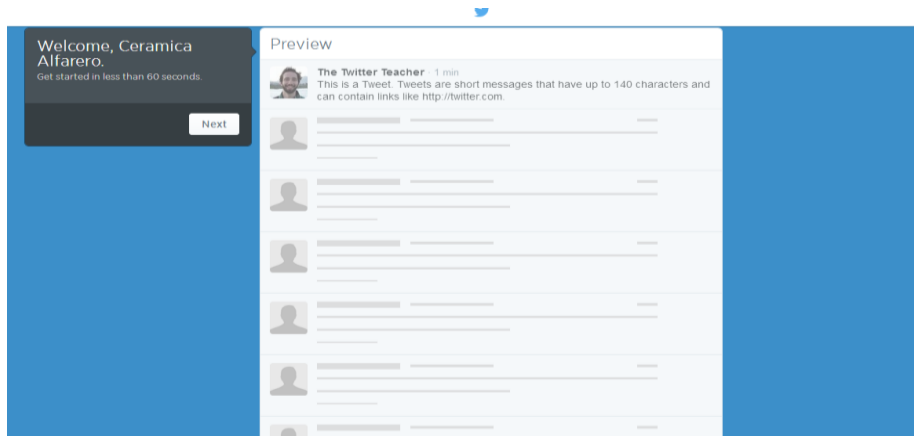


4.1.3.2 Twitter

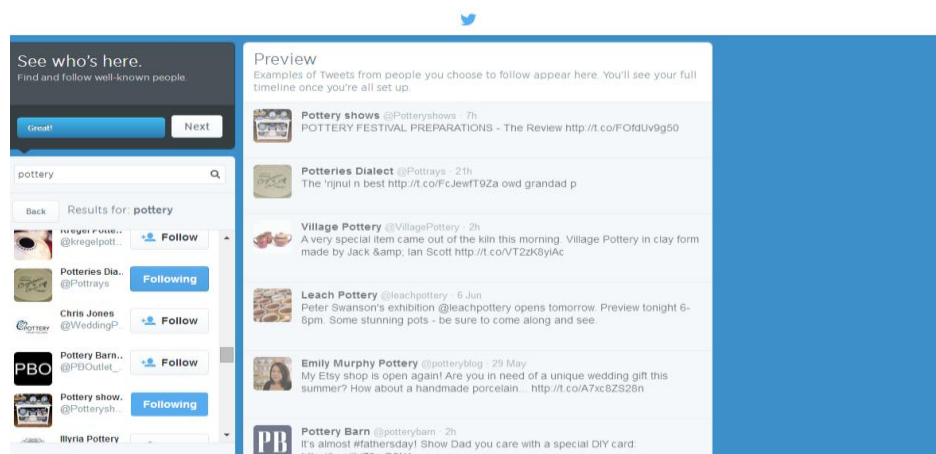
The first step in creating an account on Twitter is registration with the name by which the company wants to be found, a contact email, and a password.

A screenshot of the Twitter registration form. The heading is "Join Twitter today." The form has several sections: "Full name" with the input "Ceramica Alfarero" and a green checkmark saying "Name looks great."; "Email address" with the input "karlitapesantez@gmail.com" and a green checkmark saying "We will email you a confirmat"; "Create a password" with a masked input "*****" and a green checkmark saying "Password could be more secu"; "Choose your username" with the input "CeramicAlfarero" and a green checkmark saying "Username is available. You can change it later." Below this are suggestions: "AlfareroCeramic" and "Ceramic26923924". There are two checkboxes: "Keep me signed-in on this computer." and "Tailor Twitter based on my recent website visits. Learn more." At the bottom, there is a "Create my account" button. A small box at the bottom left says "By clicking the button, you agree to the terms below. These Terms of Service ('Terms') govern your access to and use of the services, including our various websites, SMS, APIs, email notifications." On the right, there are links for "Printable versions: Terms of Service, Privacy Policy, Cookie Use".

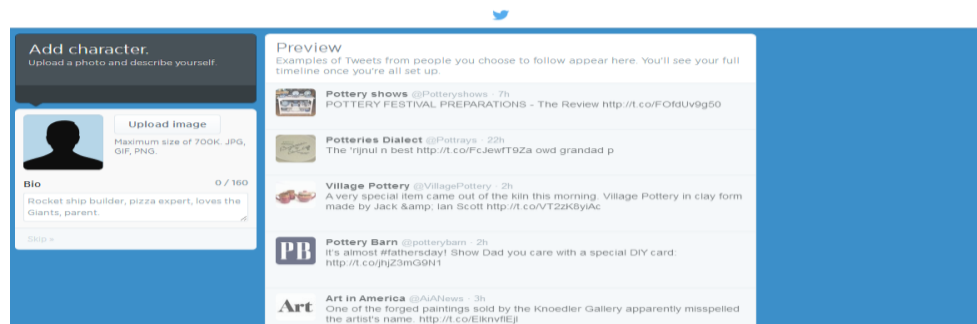
If all the data provided is correct then the Twitter account will be registered and you can start to use it.



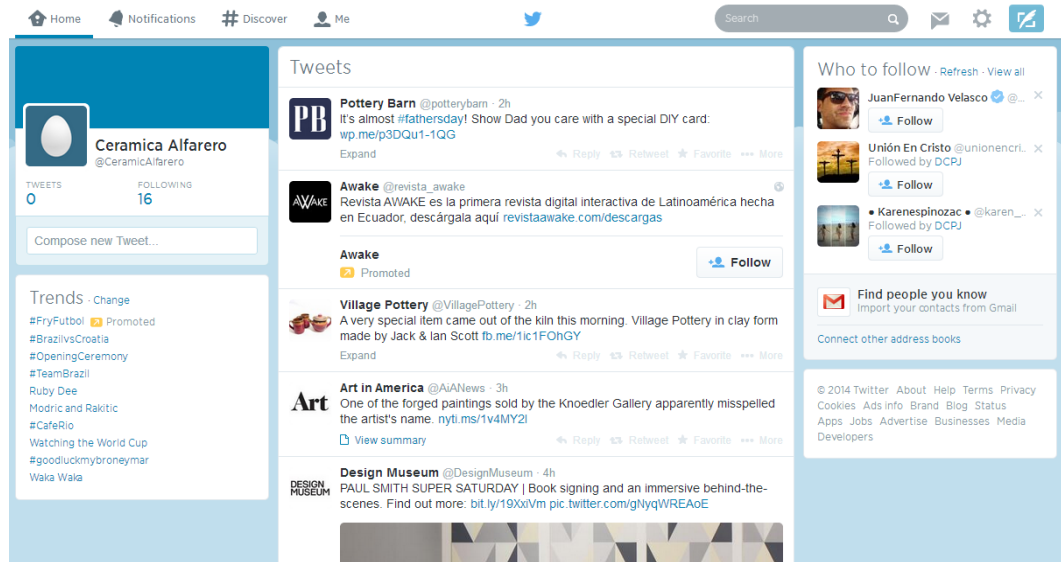
The next step is to find Twitter accounts that are of interest to *Cerámica Alfarero*, which is why words like ‘pottery’ will be searched for and will appear in the results. After selecting a few Twitter accounts to follow, *Cerámica Alfarero* will now receive news and events from each of the accounts selected.



Afterwards, you should upload a profile picture.



And done; the *Cerámica Alfarero* Twitter account was created successfully.



The box below provides an account of a company called 'Village Pottery' in Canada. *Cerámica Alfarero*'s account is now following them to keep track and use them as an example.



4.1.3.3 Pinterest

To create a business account on Pinterest the first step is to click on ‘Register your Email.’



Instead of filling the data in the box, you must click on ‘Have a business?’ then you must complete the appropriate form.

Regístrate con tu correo

Nombre	Apellidos
Dirección de correo electrónico	
Contraseña	
<input type="radio"/> Mujer <input type="radio"/> Hombre	
¿Tienes una empresa? Haz clic aquí.	
Al crear una cuenta, acepto las Condiciones del servicio y la Política de privacidad de Pinterest.	
<input type="button" value="Cancelar"/> <input type="button" value="Regístrate"/>	

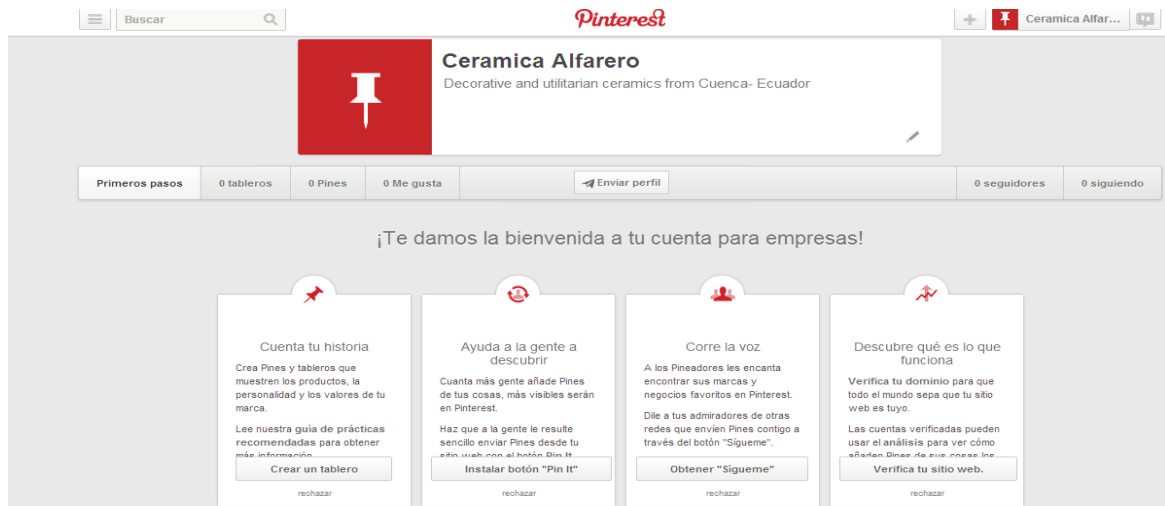
Then you must select the type of enterprise, the contact name of the person who will administer the account, email address, and a password. In addition, you must specify the trade name of the company, the name of the user on the account, a brief description and the URL of the company website.

Crear cuenta de empresa

Tipo de empresa	Minorista (p. ej., Anthropologie, Pottery Barn)	Puedes modificarlo posteriormente.
Nombre de contacto	Karla Pesantez	Persona que gestiona tu cuenta
Dirección de correo electrónico	karlitapesantez@gmail.com	
Contraseña	*****	6 caracteres como mínimo

Información de perfil (mostrar públicamente)		
Nombre comercial	Ceramica Alfarero	Cómo aparecerás en Pinterest
Nombre de usuario	www.pinterest.com/ CeramicAlfarero	
Acerca de	Decorative and utilitarian ceramics from Cuenca- Ecuador	104 caracteres restantes
Sitio web	www.ceramicalfarero.com	p. ej.: http://tusitioweb.com

Once the account is created, the first step is to create pin boards showing products.



A name should be given to the board, in the case of *Cerámica Alfarero* we created one with the name 'Pottery;' and the description should say something about your products and the category to which it belongs to.

crea un tablero

Nombre

Pottery

Descripción

Handmade Pottery from Cuenca- Ecuador

Categoría

Decoración del hogar

Añadir un mapa?

No

Quieres que sea
privado?

No

Más información

¿Quién puede añadir
pins?

Escribe un nombre o dirección de correo.

Añadir

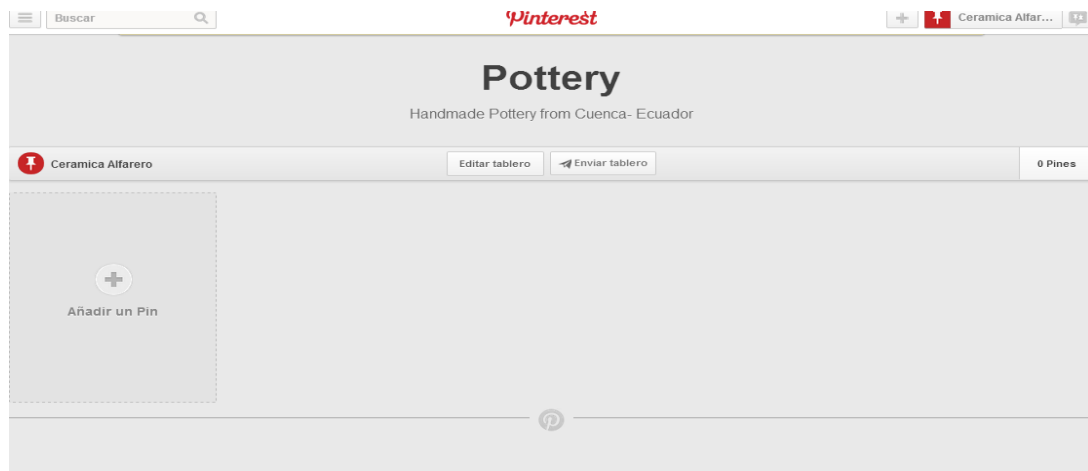
Para más información



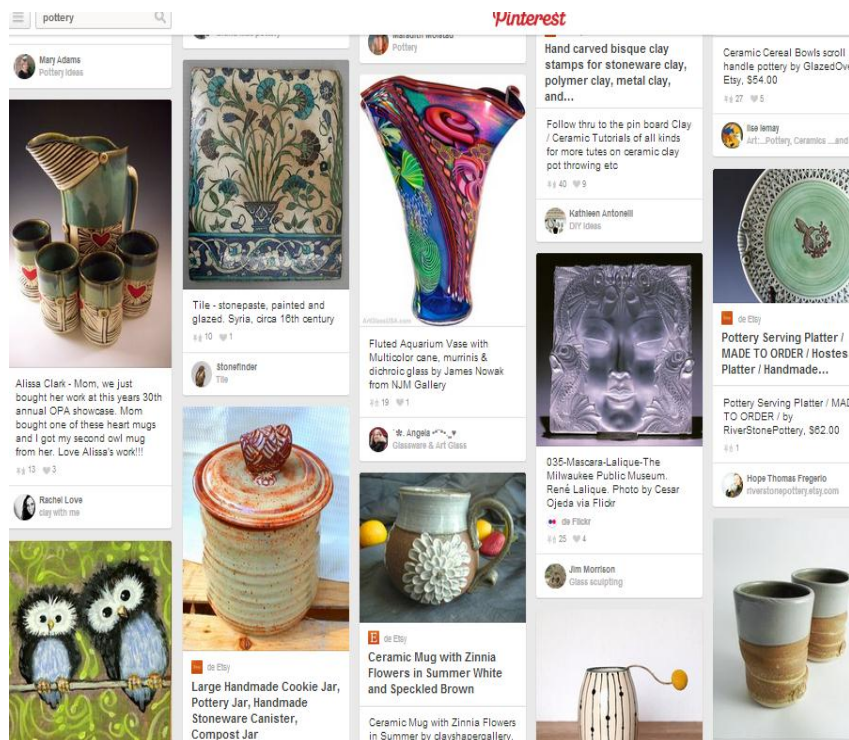
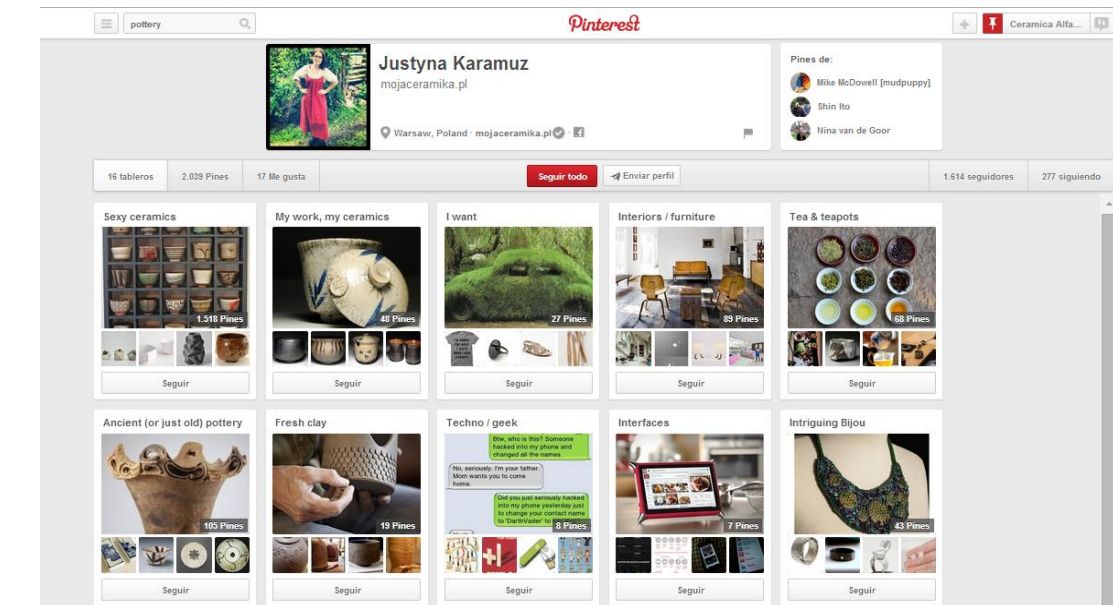
Ceramica Alfarero
has creado este tablero.

Cancelar

Crear tablero



An example of how a board for pottery items will look like on Pinterest:

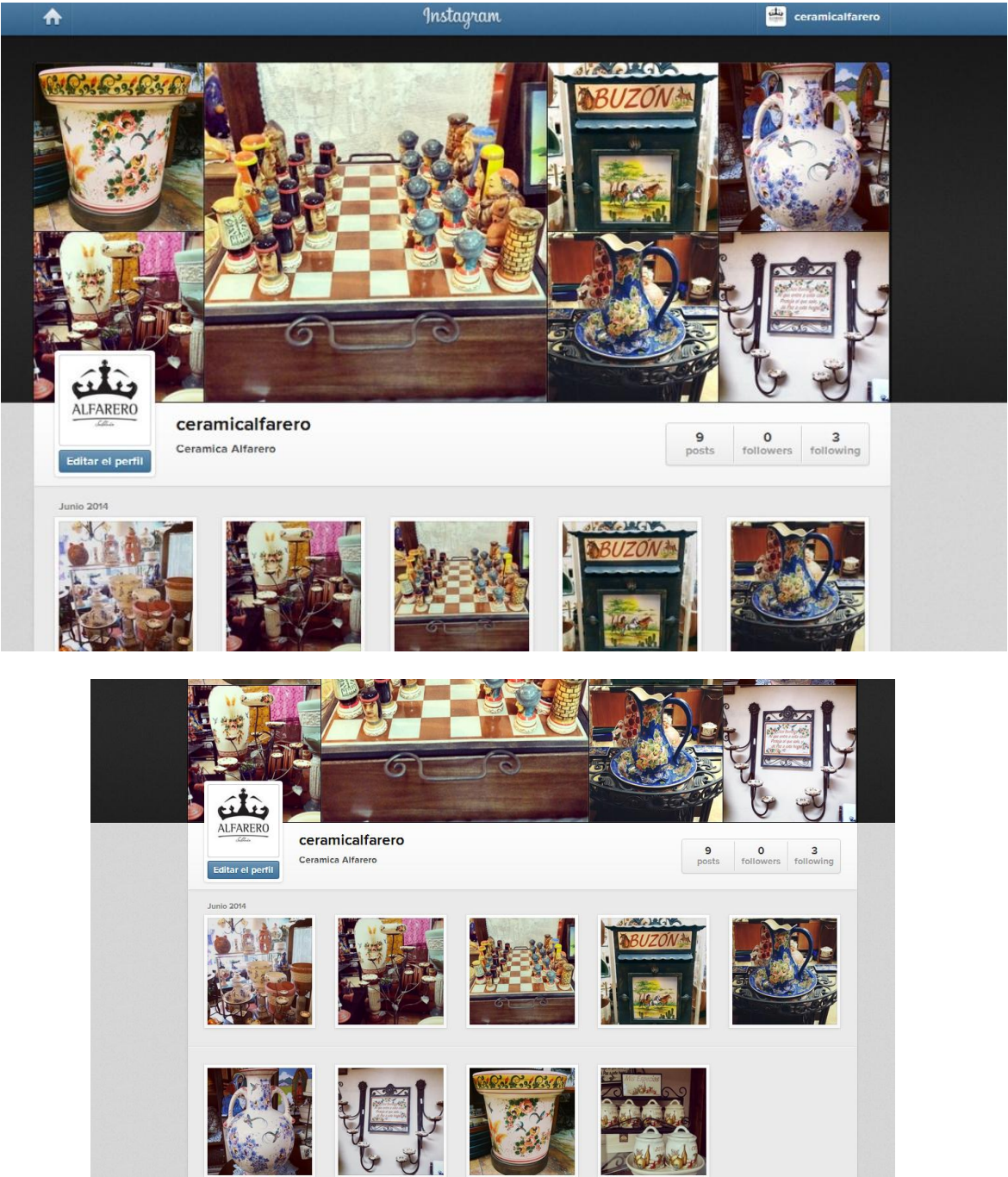


4.1.3.4 Instagram

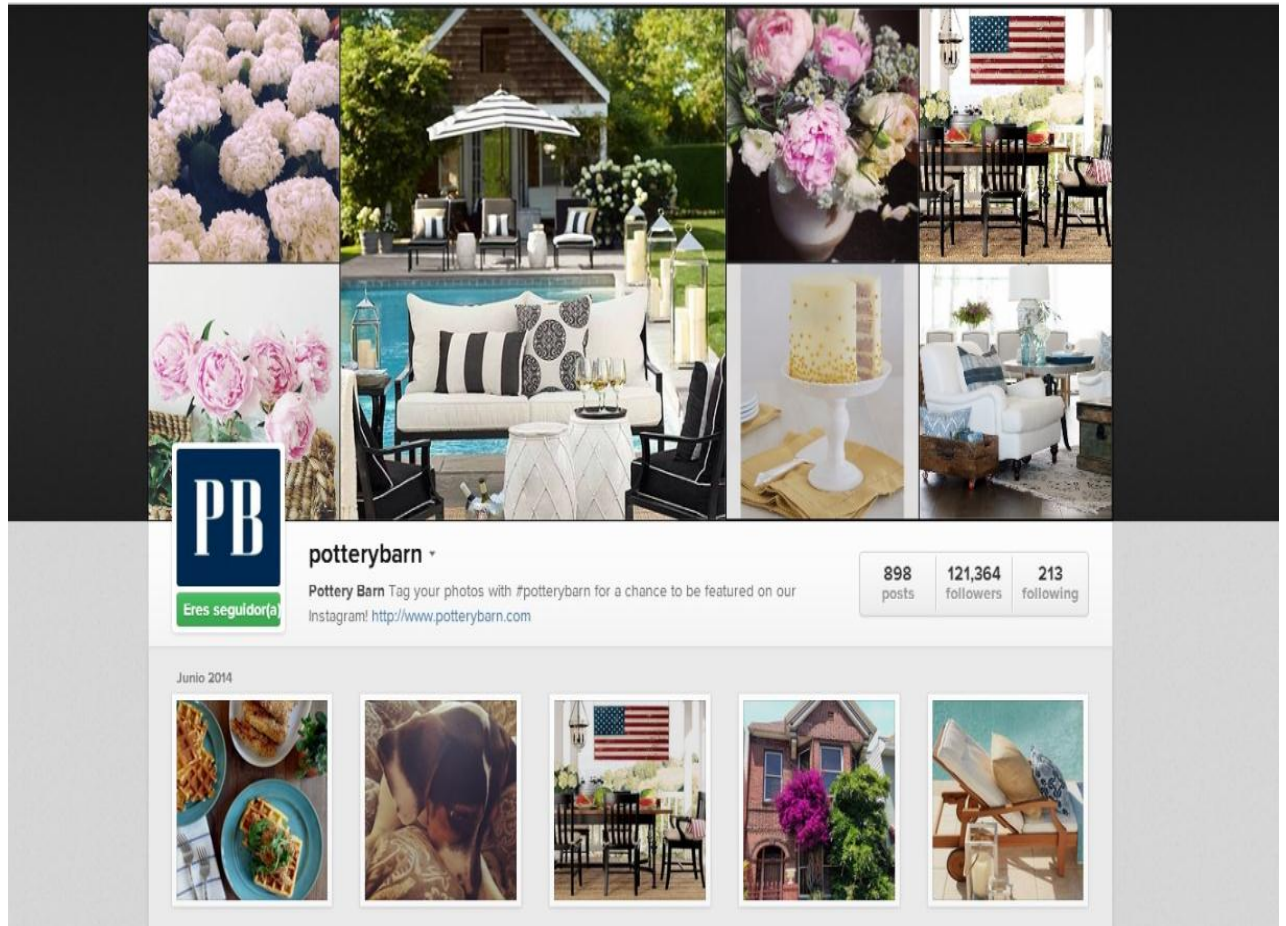
This social network can be created by using only a smart phone because it is a mobile app; however, once created, it can be controlled using a computer if needed. To get registered on Instagram, the email address of the person who will administer the account, a username, and a password must be entered.



Once the account is created, the photographs will be added by cell phone and reflected on the site, as per the following example.



The next step is to find users related to ceramics.

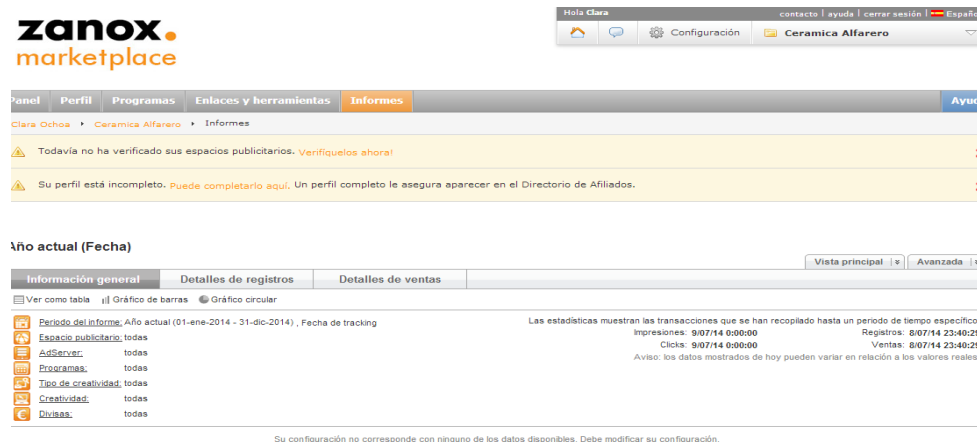


4.2 Method of Control Strategy

4.2.1 Affiliate Marketing

Each page specializing in affiliate marketing has a control method where the user can periodically review the results. *Cerámica Alfarero* does not currently have a website so a real example cannot be seen. However the following table shows Zanox's control method.

In the tab ‘Reports’ you can review the general account information, details, and sales records. ZanoX also allows the user to view statistics showing transactions that have been done in a specific time period such as: number of impressions, number of clicks made by users, number of records, and most importantly, the number of sales made.



4.2.2 Search Engines

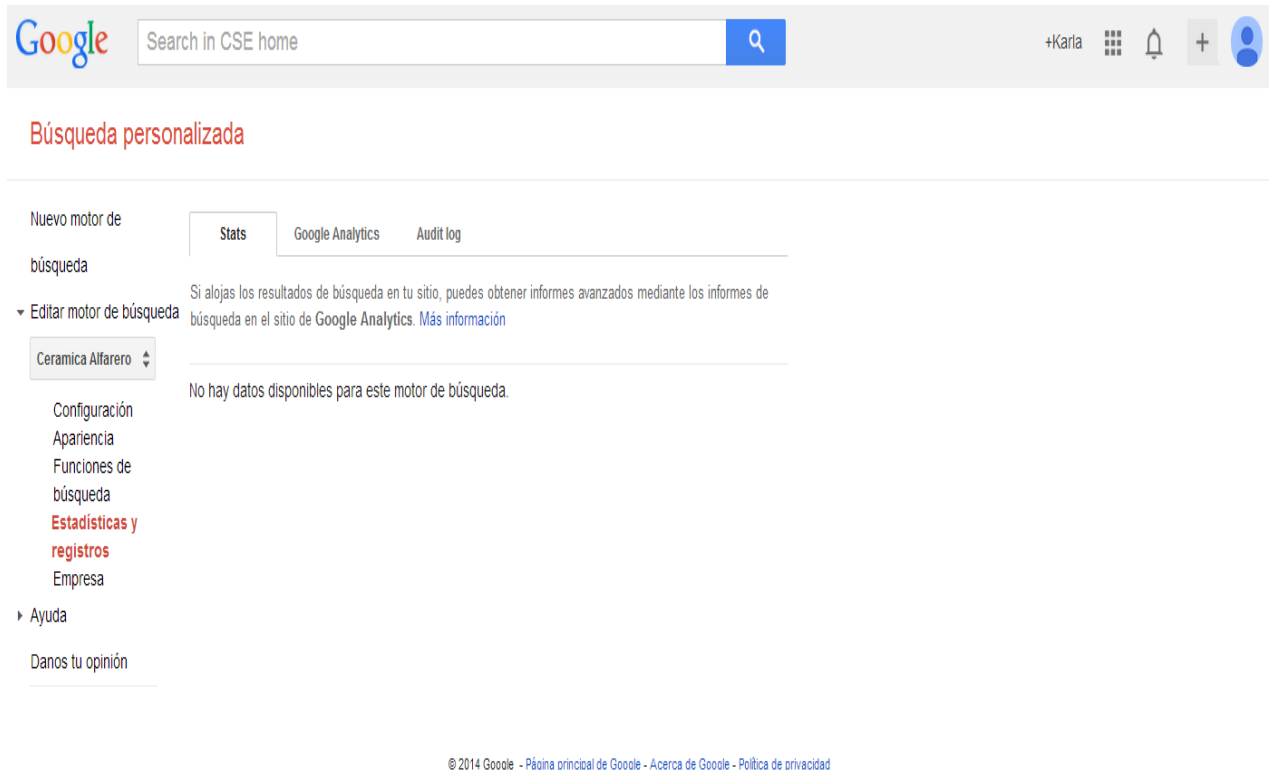
The Google search engine allows the user to have extensive control for optimization.

Control Method:

1. The tab ‘stats and records,’ shows the searches that the users in the search engine have made; either daily, weekly, monthly or annually, plus it reflects accurate data on the use of search and all searches completed.
2. The ‘Google Analytics’ tab shows information and statistics about how users use search on the website.
3. Likewise ‘Google Analytics’ reflects the most popular terms sought by users and determines which pages of the web site search is used more frequently.

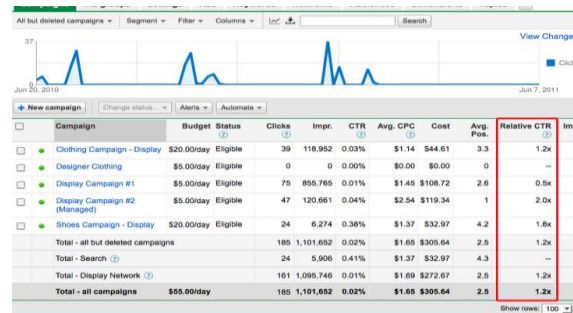
As mentioned above, *Cerámica Alfarero* does not have a website yet, which is why you can not have a real example of how to work the search engine optimization for its website.

This is how the administrator search engine panel for Google would look like:



4.2.3 Pay per Click

This is how an advertising campaign in Google Adwords looks:



Source: (Rampton, 2011)

This is how the advertising campaign in Google Adwords for *Cerámica Alfarero* would look:

Todas las campañas en línea

Últimos 7 días: 01/07/2014 - 07/07/2014

Campañas	Grupos de anuncios	Configuración	Anuncios	Palabras clave	Extensiones de anuncios	Dimensiones
Todas las palabras clave excepto las eliminadas	Segmentar	Filtro	Columnas	Buscar	Ver historial de cambios	

Palabras clave

Palabra clave	Campaña	Grupo de anuncios	Estado	CPC máx.	Tipo de campaña	Subtipo de campaña	Clicks	Impr.	CTR	CPC prom.	Costo	Posic. promedio	Etiquetas
Handmade pottery home decoration ceramics unique designs beautiful ceramic	Pottery	Handmade pottery, ceramics	Volumen de búsquedas bajo	automática: \$0.68	Red de Búsqueda con selección de Display	Estándar	0	0	0.00%	\$0.00	\$0.00	0.0	--
Total: Todas las palabras clave excepto las eliminadas							0	0	0.00%	\$0.00	\$0.00	0.0	
Total: búsqueda							0	0	0.00%	\$0.00	\$0.00	0.0	
Total: Red de Display							0	0	0.00%	\$0.00	\$0.00	0.0	
Total: toda la cuenta							0	0	0.00%	\$0.00	\$0.00	0.0	

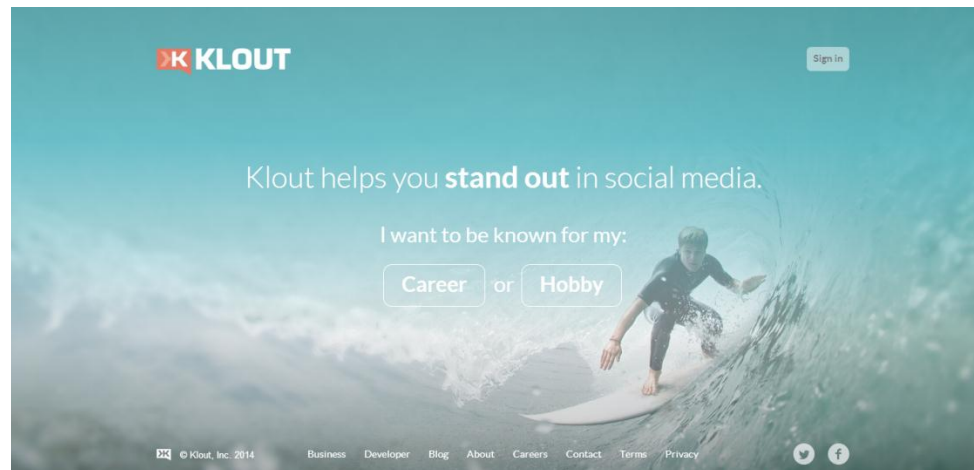
Mostrar filas: 50 1 - 1 de 1

Control Method:

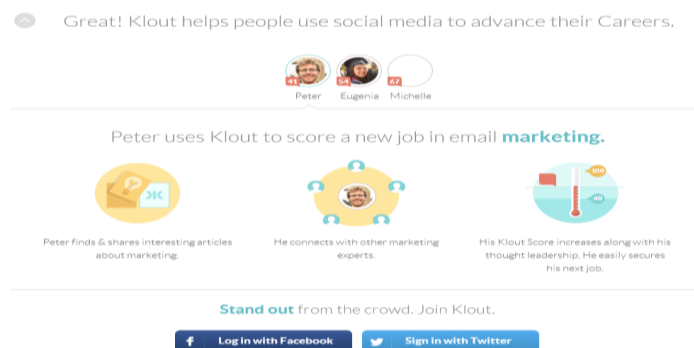
1. The 'Clicks' column shows the number of clicks users have made on Google Adwords ad, the click occurs when the user wants to have more information on the product or service being offered. The number of clicks will allow the company to know how attractive its ad is to users.
2. In the column 'Impressions' you can see the frequency with which the announcement of the company is listed on a search engine or a web site of Google. More impressions mean that the message was transmitted more frequently in the search engine.
3. The following column is 'CTR' which means click through ratio or proportion of clicks, this is the number of clicks your ad receives divided by the number of times shown. This way you will know how often users click on the ad after seeing it.
4. The 'CPM prom' reflects the average cost per click that is charged to the person every time someone clicks on your ad. This value is the total cost of all clicks divided by the total number of clicks received.
5. The 'cost' is the sum of the cost per click 'CPC' plus the cost per thousand impressions 'CPM' for a period.
6. The 'average position' ad shows the classification compared to other ads; this tells you the position of your ad compared to other advertisers.
7. The 'Tags' organizes the elements of the account into groups for the purpose of filtering and creating reports with data and information that is of interest. You may also apply tags to keywords, campaigns, ads, and ad groups.

4.2.4 Social Networks

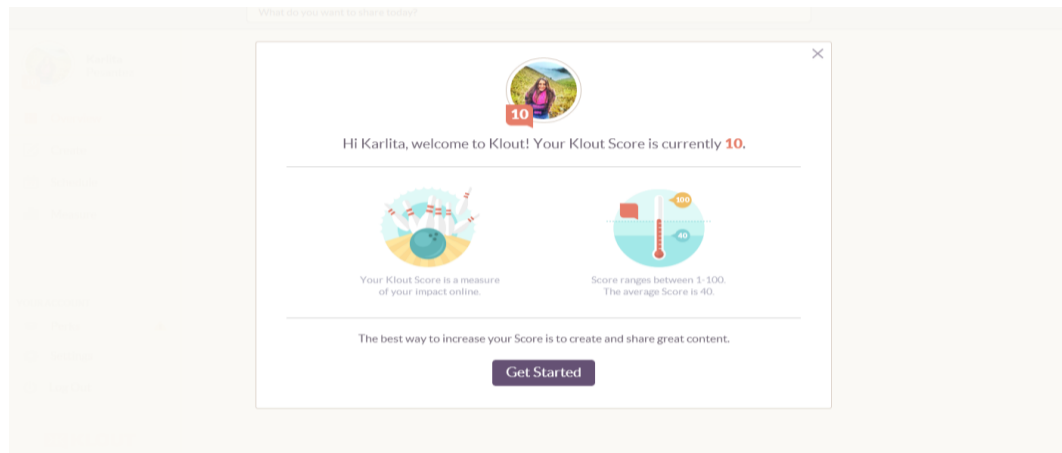
Currently there are many websites that allow extensive management of social networking for both personal and business use called Klout.



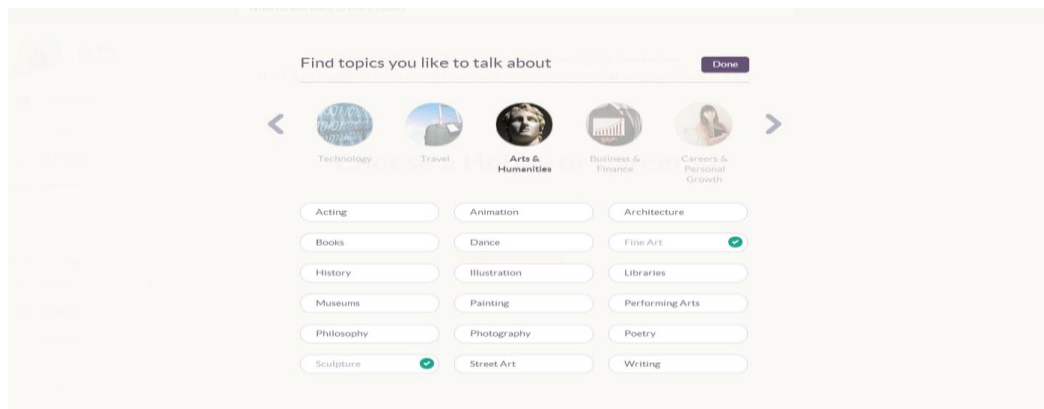
You can register through for Klout through Facebook or Twitter.



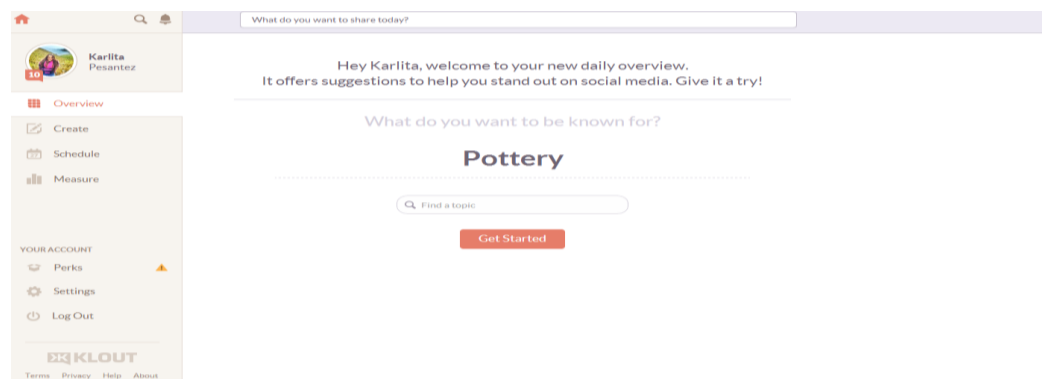
Immediately, Klout will show the user, by means of a score over 100, how big their impact is in social networks:






Then Klout will suggest topics of interest to the user.




Klout then suggests to the user to choose a topic for which he or she would be recognized.



Then, Klout will show results of other related users according to the search criteria.





Karita Pesantéz

10

Overview

Create

Schedule


Measure

YOUR ACCOUNT

Perks


Settings

Log Out




Terms Privacy Help About

What do you want to share today?




Follow people known for Pottery




Connect Twitter to start finding people with similar interests.

Sign in with Twitter




Share great content about Pottery




Ombre Cement Candle Holders

Schedule



Concrete Planter and Candles

Schedule



DIY Pineapple Ring Dish

Schedule

Find more content to share

Connect Twitter to follow new people and grow your Twitter presence.

Sign in with Twitter

Share Great Content

Create content that strikes a chord with your audience.

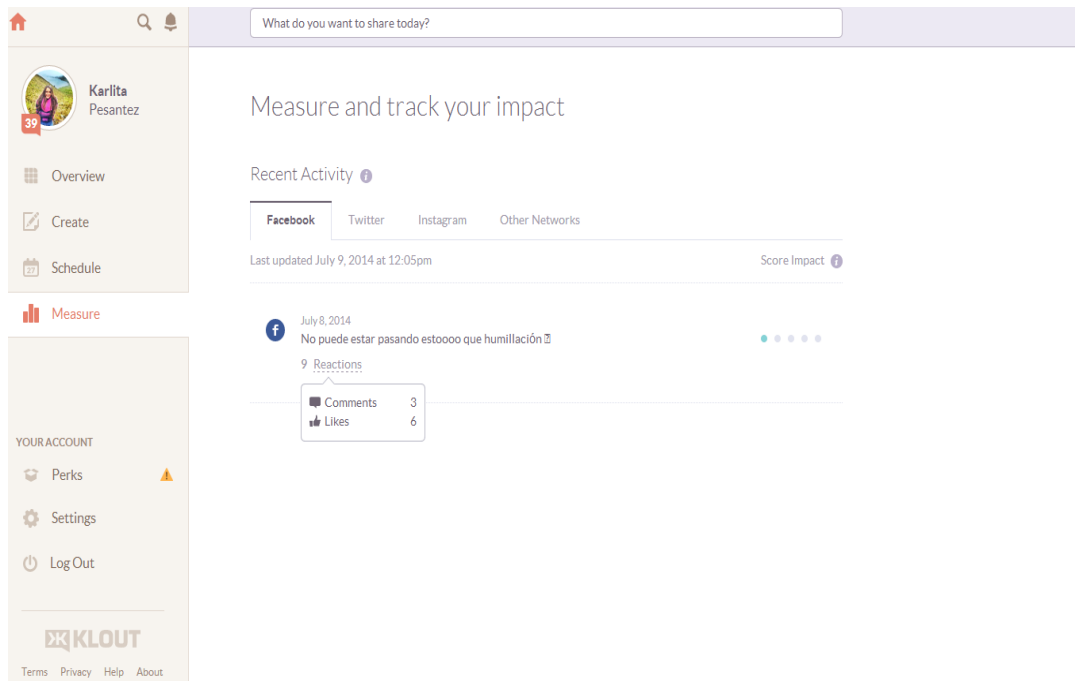
You've shared 0 of 3 articles today.

112

Control Method:

The most interesting part of Klout is that it can manage three social networks like Facebook, Twitter, and Instagram all together at the same time.

1. As shown in the table below, there are three different tabs; Facebook, Twitter and Instagram.
2. Klout studies the activity of each account and measures the impact thereof.
3. By monitoring the activity of each social network, Klout allows the user to know what customers likes and dislikes. Through this, the user can eliminate that do not have much impact to the business and improve those that do.

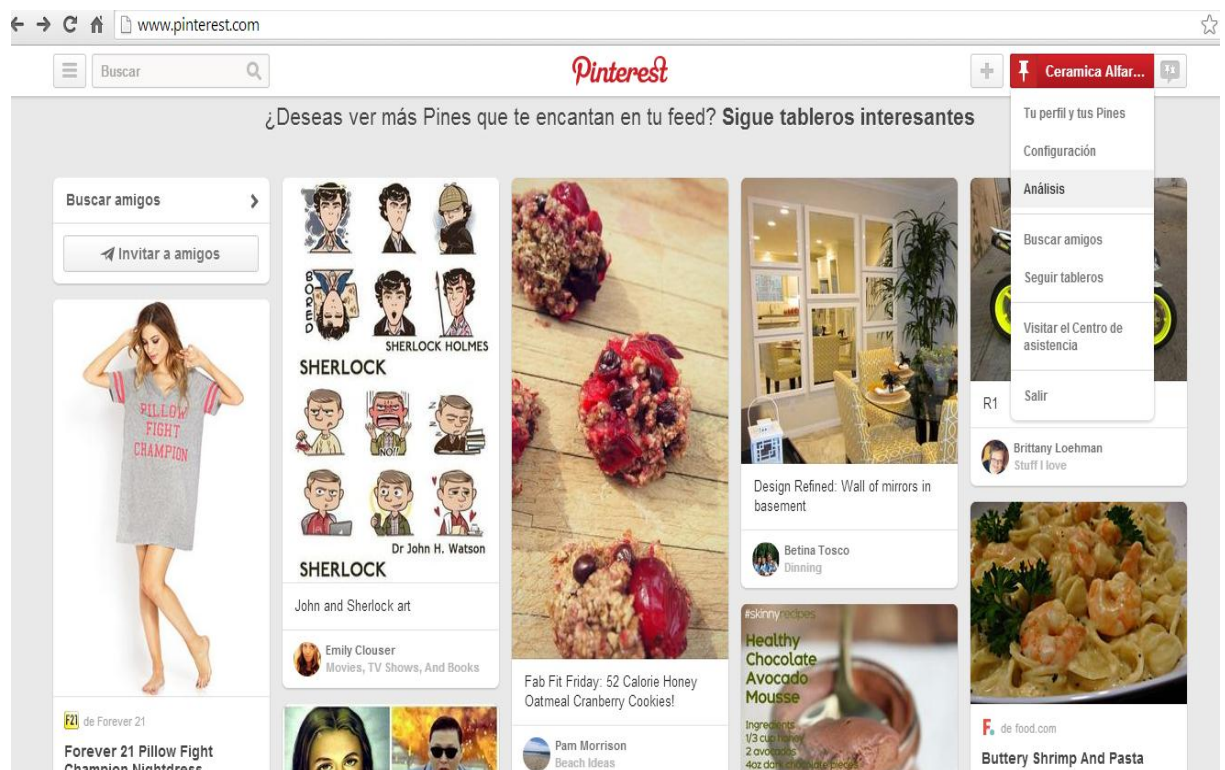


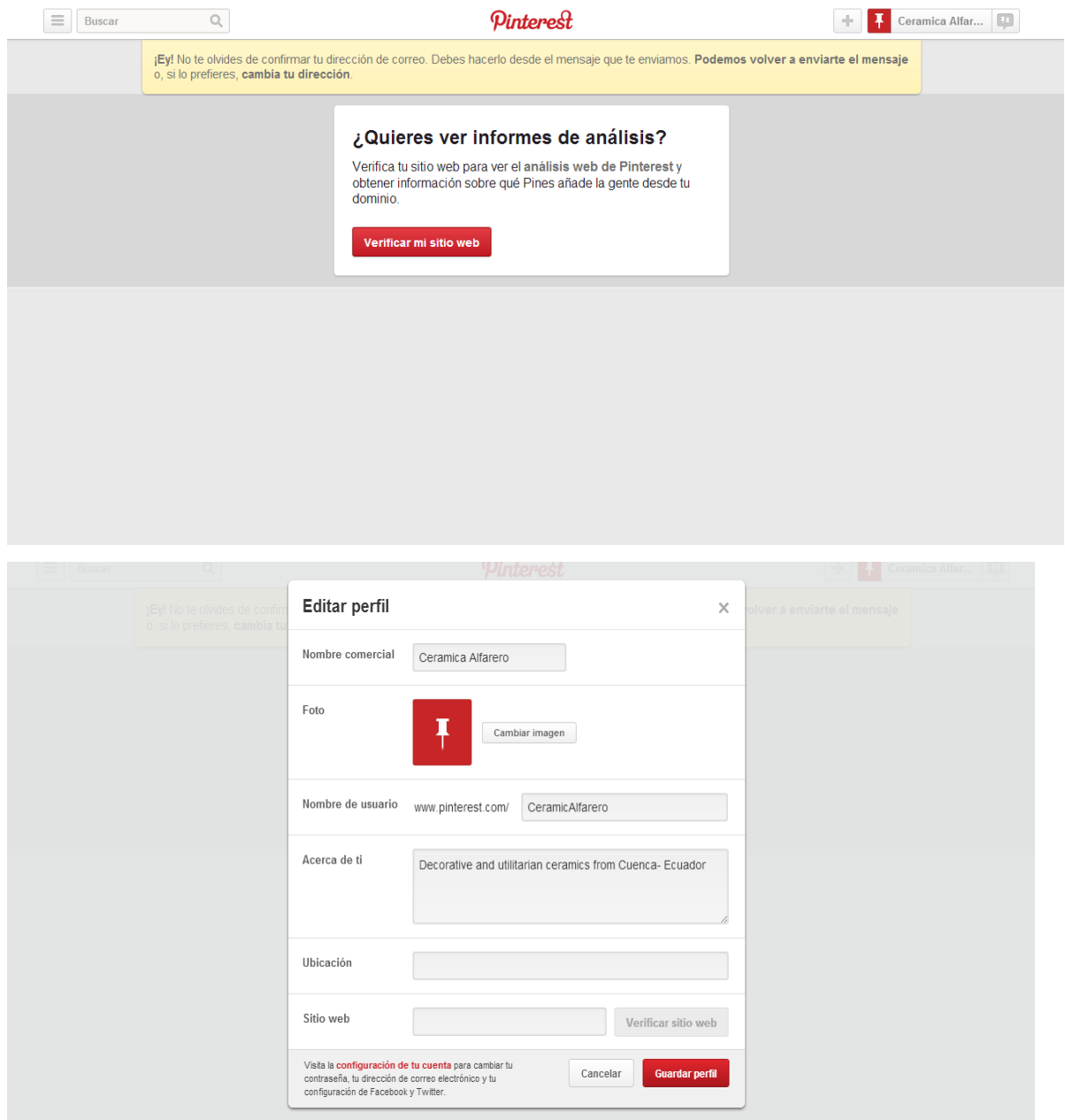
4.2.4.1 Pinterest

The social network Pinterest has its own method of control, making it simple for the user to work.

Control Method:

1. In the 'Analysis' tab the user can go to a control panel.
2. To perform this analysis, the website linked to Pinterest should be checked first.





The analytics website for Pinterest shows how many people have accessed the website through Pinterest, how many people have pinned something from the website, how many people have seen this pin, how many repins made, and what is most popular; that is, what caused the most impact on users.



Source: (Tao, 2013)

4.3 Timeline

Strategy	Objective	Start Date	End Date	Control	Budget
Affiliate Marketing: Search affiliate websites and subscribe; the ad of the company is published on their websites	Reach potential customers through affiliates that are recognized and related to business websites	August 1, 2014	February 1, 2015	Homeowners	\$3,000
Search Engine Optimization: Improve and update the business website using keywords and interesting content so that the user can easily find the site through search engines	Create ease of access for the user to find a website with products or services of interest through keywords on search engines	Undefined	Undefined	Webpage designer	Free
Pay per click: Paying a fee for an agreed period of time in exchange for visits on the website of the company. Payment is made according to every click made by a user.	Attracting potential customers to business through paid advertising, with the advantage of establishing a rate of pay per click, and generate more sales for the company	August 1, 2014	November 1, 2014	Homeowners	\$2,000
Social Networks: Create accounts on social networks used in the	Create a direct link between the company and the consumer through news,	Undefined	Undefined	Public Relations	Free

United States like Facebook, Twitter, Pinterest, and Instagram. Users can have more direct contact regarding questions or suggestions for the company	advertising, and promotions posted on the different types of social networks				
---	--	--	--	--	--

CONCLUSIONS

- Due to globalization and the rapid advancement of technology, everything has become easier for people in their development of trade, business, and cultural approaches worldwide. One reason for this is use of the internet; this tool has simplified electronic commerce, especially as a promotion for business, creating a more direct link with the customer, and generating more sales for the company to become more competitive in the market. *Cerámica Alfarero* is an Ecuadorian company that wants to promote their brand in the United States, but they do not have the right strategies for promotion. In this study, I have suggested a number of e-marketing strategies that could be used by the company to reach their desired market.
- After an analysis of the environment of *Cerámica Alfarero*, it was concluded that the company has suppliers necessary for increasing production at any time, however they do not have enough personnel, technology, and appropriate promotion to compete in the American market. Their items are handmade by very talented Ecuadorian potters and are very unique, as well as appreciated by many American customers already. Moreover, craftsmen have many benefits in Ecuador thanks to the 'Law of the craftsman' tax exemption for exports of their products, among other benefits.

- In the analysis of the industrial sector it was observed that bilateral trade between Ecuador and the United States in regard to ceramic crafts market is not very significant compared to other products, however there is an opening in the market with a tariff of 0%. Furthermore, it was concluded that the products should be marketed to customers between 35 to 64 years of age, as they have high to average incomes, allowing them to purchase items to decorate their homes. However, Ecuadorian artisans will face competition from China, Mexico, Peru, Italy, among others, because these countries have more experience in exporting their products to the United States.
- After an analysis of the company and the market in the United States, I suggest that the most appropriate strategies for its promotion in the market in the United States are: SEO, Affiliate Marketing, Pay per Click, and Social Networking. With the smooth and controlled deployment of these strategies, it is expected that the company will be able to properly promote their products and achieve a position in this market, generating more revenue for the Company, as well as international recognition.
- Finally, it is undisputed that all companies worldwide must be updated technologically and organizationally since they should be able to respond quickly to any questions or suggestions. The best results come when proper planning has been done and when the needs of the target market are known. E-marketing implements all possible strategies in order to see which one has the greatest impact on consumers and earnings of the company.

RECOMMENDATIONS

- *Cerámica Alfarero* should invest in updated technology for the production of their ceramic items to help them produce more parts and be prepared to respond to demand through exportation.
- If any of the strategies suggested in this paper to promote the brand and products are implemented, then these must be constantly and responsibly monitored by qualified people.
- It is very important that *Cerámica Alfarero* has training for staff. The proper development of human talent within the company will facilitate the growth of the company and increase sales.
- In the event that any of the strategies give good results for the company, it is vital that *Cerámica Alfarero* continue to rebrand themselves in order to maintain long term results.

ANNEXES



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