



UNIVERSIDAD DEL AZUAY

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**CREATION OF A PLAN FOR THE INTERNATIONAL WEB
POSITIONING OF UTILITARIAN CERAMICS THROUGH THE
APPLICATION OF AN ICT CASE STUDY (ANGARA COMPANY)**

Thesis prior to obtaining a

Bilingual Bachelor in International Studies minor Foreign Trade

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DEDICATED TO

I wish to dedicate this thesis to God for allowing me to conclude my college career and to my parents for their unconditional support.

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ABSTRACT

This graduation project is about how the information and communications technologies (ICT) can be used by small and medium enterprises (SMEs) as an effective tool to achieve brand awareness of a product or a service. The constant technological evolution has allowed new ways to communicate and trade. Currently there are some alternatives of advertising that are less expensive than the traditional ones, and allow to a greater scope when positioning a brand due to the large interconnectivity that the Internet could offer. That is why this thesis will focus on the ceramic craft workshop Angara located in the city of Cuenca, Ecuador, as a case study for the implementation of an international plan of Web positioning by the use of Facebook.

INTRODUCTION

Electronic commerce, which started out as a useful sales mechanism, has become the ideal platform for transactions at all levels, which has caused a huge change in business and consumer behavior (Laudon and Traver, 12). Similarly, this type of trade has proved ideal for promoting innovative and unique products, since it has features that facilitate the positioning of a product made anywhere in the world.

The internet is a set of open standards available to everyone, and this naturally makes it easier for new competitors to enter the market and offer substitute products. Since information becomes accessible for everyone, the power is moved inherently towards buyers. Additionally, the internet presents many new opportunities to create value, create trademarks and charge high prices. In this way, both the Internet and the Web have led to the generation of various and powerful software applications upon which the foundations of electronic commerce are based.

The real purpose of generating a web positioning plan for the Angara Company, maker of utilitarian ceramics, on social networks, is to measure the performance and scope that these tools of electronic marketing have because they offer a very attractive feature for small and medium enterprises, which is its low cost compared to traditional advertising. The fundamental factor is to determine to what extent the use of information technologies for web positioning a micro company is effective in the case study of the Angara Company.

CHAPTER 1: THE ANGARA COMPANY

1.1 Introduction

In the first chapter, a description of the reality of the Angara Company will be presented, recalling its origins and all of the steps their owners had to go through to be able to become a company and to produce items that better meet their clients' needs. Similarly an analysis of the micro environment or internal environment will be carried out, which will consider factors such as: suppliers, customers, competition, organizational structure, product quality, distribution channels and the production process, which in turn also aim to get to know the values about the company.

On the other hand, the macro environment or external environment will be analyzed in order to learn more about what factors are outside the control of the organization but which are very important when creating value of a strategy, such aspects include: political, economic, social and technology in Ecuador. In addition, once the micro and macro environment aspects are studied, the need for the company to enter international markets will be analyzed, which will be useful to determine the potential markets for the company.

For the selection of these potential markets, the tariff heading 6912000000 will be considered since this is the one designated for "tableware and other household goods, toilet articles, of ceramics other than porcelain", and it was suggested as the appropriate tariff heading for Angara products by Pro Ecuador. For this reason, countries with the highest worldwide imports of tariff heading 6912000000 will be considered, and later, a comparison of the quantities that these countries import as Ecuador's trading partners based on this tariff heading will be made. From this analysis possible markets will be chosen based on economic and social factors, among which are: gross domestic product, population, average household income, average household expenditure, age, and other variables that will be used to guide the choice of three potentially attractive countries as export markets of this product.

1.2 History

Relevant information was obtained after interviewing Mr. Guillermo Guevara, the business owner of Angara Ceramics, regarding the company and its beginnings in the local market. The owner told the story of how Angara Ceramics was founded in 2000, in other words, 16 years ago. The word "Angara" is a "*Quichua Cañar*" word that means container or "*pilchi*", or a container for all food and beverage, according to the company owner. In the nineties Guillermo Guevara was devoted to the art of painting and earned his living from this profession, however he also owned a small pottery workshop which was seen by Guillermo as a B plan in case painting did not prove to be a sufficiently lucrative economic activity.

As time passed, the economic problems in the country came with the dollarization that occurred in late 1999. Because of this, Guillermo decided that making a living with painting was very complicated which is why he began to strengthen his B plan, along with his wife Catalina Jara, which referred to the ceramic workshop that had only a few instruments and machinery. With the help of his wife, they began to make certain products to sell in the local market. Guillermo says that it was very difficult, because people then only wanted products on consignment and were not interested in purchasing products directly with cash.

The first products of the company focused on the decorative line, which mainly portrayed landscapes and corners from the city of Cuenca reflected in ceramics. However, since these products were considered as a luxury, people at that time were reluctant to buy them because of the country's poor economic situation due to the bank holiday and because of the dollarization process. During this time, the country lived through a phase of transition and austerity, which is why consumers did not purchase these products.

In his attempt to find potential buyers, Guillermo decided to go to a German NGO that trained and assisted artisans in the Azuay province. Here he met Klaus Schuller, an anthropologist and German merchant who lived in Ecuador. He advised Guillermo that he should focus on and produce the utilitarian line of ceramics since in Germany and in Europe in general, women already had enough ornaments on their walls and therefore there was a better opportunity in utilitarian products.

The anthropologist was impressed with Guillermo's product and asked him to create a utility sample line giving him a term of approximately 30 days to complete a dishwasher and microwave safe line. This was when Guillermo and his wife began the challenge of producing new matrices, utility products molds, improving the product paste, baking stage and certain processes as to present a quality sample. Their first products were a breakfast bowl and a jug, for which they used pre-Columbian designs as decoration and finished them off by using the total coverage or the "*engobe*" technique, which according to Guillermo is an ancestral technique that uses the minerals in the land and clay that gives the product its earthy colors used for decorating, without having to use any type of acrylic enamels that contaminate the product with lead and cadmium.

After making their first products, both Guillermo and Catalina decided to train themselves to produce more quickly and to better production techniques for higher quality products. Due to this steadier line of production, they decided to seek potential buyer markets and traveled to the city of Quito, where thanks to a national craft fair, they met a craft-seller who owned a distribution store that sold crafts called Ethnic Collection.

This company was the first to place orders and it became a retail point of sales in northern Ecuador. Thanks to this, its products were able to reach various clients, one of them being the MCCH or Maquita Cushunchic foundation marketed as brothers. This client was very important for the Angara Company because with their help, they were able to participate in a fair organized by the World Fair Trade Organization that took place in Belgium in 2004, where they had their first export contract of 3000 teacups and 3000 tea dishes.

Thanks to the characteristics of Angara's products, the company was awarded the Artisanal Excellence prize presented by UNESCO in Lima, Peru. Additionally, the President of Ecuador contacted the Company so that it would provide various tableware products for events held at the Palace of Carondelet and Angara tableware has been obtained to be used as gifts for the President and the Kings of Spain, since it is a unique craft with features that highlight Ecuadorian traditions and culture.

Currently, production requirements have changed, highlighting the need for more quality and strength. The company has opted to working with different types of clay

that gives added support for a better quality product. Thanks to this improvement in quality, the number of customers have increased, which demonstrates the acceptance of the models, designs and quality ceramic Angara has provided them. The Company also offers additional service that allows clients to customize their products to suit their needs, which is an aspect valued by buyers.

Among the Company's future projects is the production of compatible pots with induction stoves. Additionally, the company has acquired land in the area of Baguanchi, with the idea of setting up the workshop in a suitable place that may also be used as a museum so that both local and foreign buyers would be able visit their production plant. Moreover, Angara seeks to show that their overall philosophy lies in the pictorial language that exists in the products they make, and they wish to transmit the hidden messages found in their pre-Columbian designs by educating buyers about these messages that characterize the pre-Colombian culture, which was based on the Andean "*Cosmovision*" or Philosophy.

1.3 Micro Environment

1.3.1 Suppliers

Currently, Angara Ceramics has several material suppliers for the manufacture of its products and these sellers are mainly found in the mining areas of the Azuay province. When choosing its providers, the Company sought mines in this area because of logistical issues and found several options that include: bentonite, feldspar and arcabuco. When these mix together they make a durable and easy-to-handle product

1.3.2 Clients

Angara Ceramic customers are mainly local food businesses and foreigners visiting the city. This is because the company has not yet transcended in its search for new markets both on a domestic and international level. However, they receive occasional purchase orders from other cities like Quito, Guayaquil and Loja. According to Guillermo, a good niche market has become small businesses of cafes and restaurants in Cuenca since these look for something different and personal that can help identify their image or the advertising slogan of the restaurant or cafe.

Tourists who visit the country have also been important buyers of their products, since they tend to be quickly fascinated with handmade products and are very fond of handicrafts. Also, the pre-Columbian culture is striking to tourists because of the design and decoration of the products, inspired by the pictorial languages of pre-Columbian times.

1.3.3 Organizational Structure

The company is categorized as a microenterprise and is currently made up only by three people. Angara's employees include Guillermo, who is the product decorator and is also the designer for several of these pieces, his wife Catalina, a chemical engineer who develops materials and is responsible for the production of the goods, and their son Diego, who helps out in the design of the product.

1.3.4 Infrastructure

Currently the company does not have an appropriate infrastructure for the development of their products because they are located in a place that has little physical space and as a result, they cannot make the most of the workshop and exhibition areas. Considering this disadvantage, the owners were not able to acquire equipment to produce in a more technical way. Also, because of the small space the raw materials are stored elsewhere because there is not a place to put them.

1.3.5 Technology

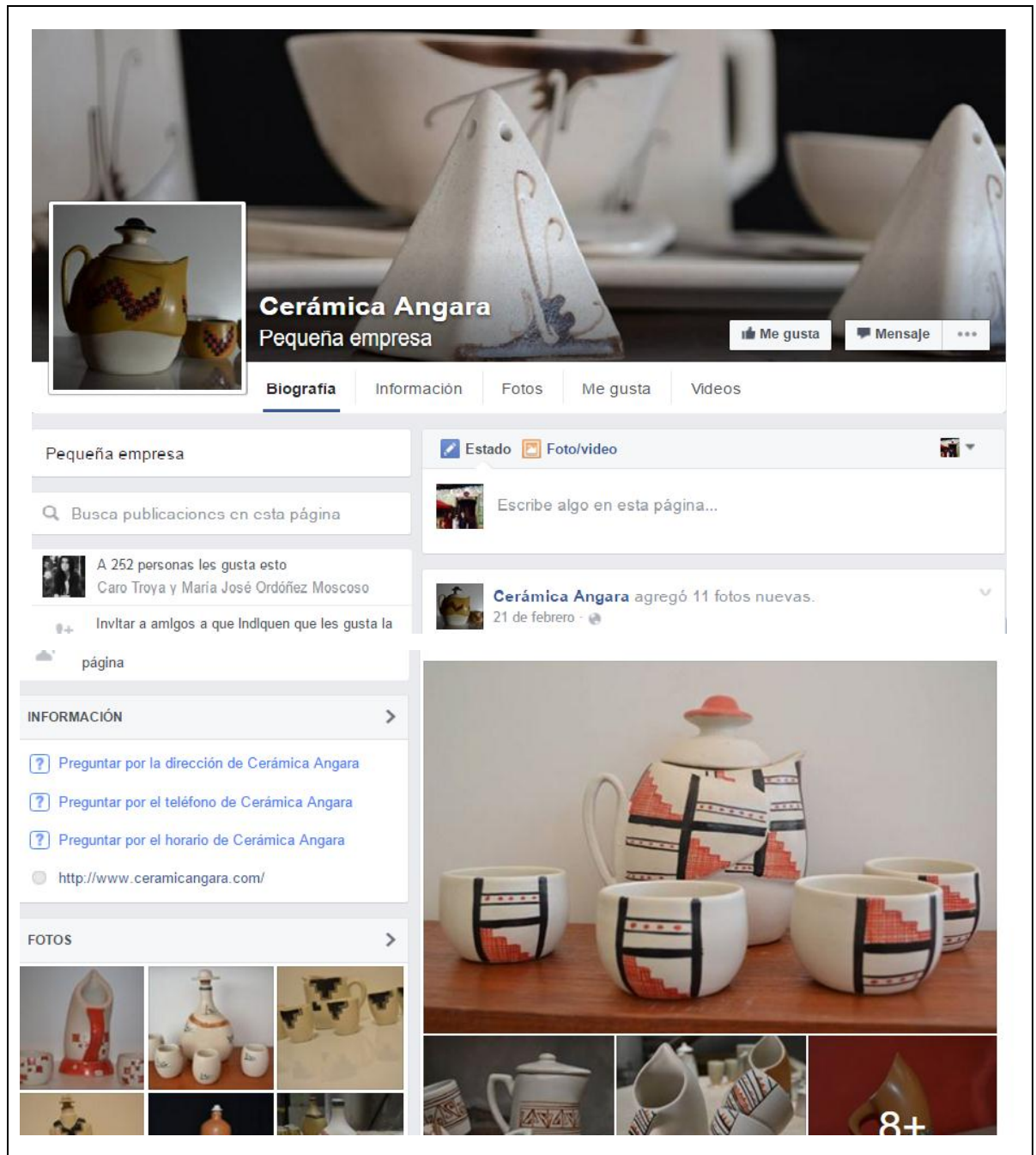
In reference to the technological aspect, since Angara is a handicraft company, it lacks technology for production. However, in the communication area, the company currently has a web page and a fan page on Facebook, which has allowed them to reach more customers. Yet, the use of these ICT's is not correctly carried out because their webpages are mostly informative and do not have a marketing plan to promote the brand. Their website has a poor interface, its structure is not interesting for the client, and it does not have an online shopping option. Additionally, Angara fails to upload constant updates on the company Facebook fan.

Figure 1: Angara Webpage



Source: Angara Company Webpage, 2016

Figure 2: Angara Company Facebook Page



Source: Facebook 2016.

1.3.6 Segmentation

Angara's ceramic products are for an adult market, especially for those who look for a unique product. It is also attractive for people who watch out for their health because of the use of the "*engobe*" technique, as it contains very low levels of lead. This product is also for people who know about craftsmanship, who enjoy different cultures and especially for those who value what is made entirely by hand. The female segment is more attracted to this product because women usually choose the

kitchenware for their homes. The socioeconomic group that Angara markets towards is very important since this product is of higher quality than other utilitarian products made on an industrial level, which makes it more expensive than other brands.

1.3.7 Product

Among the utilitarian branch main products of the Company are plates, coffee sets, sets of decanters, and snack bowls. On the other hand, they also have some decoration accessories that are made with less frequency such as mirrors, vases, candlesticks and bathroom sets.

1.3.8 Design

Each piece made by Angara is unique. The company's design method is based on the creation of pieces that play with geometric elements of nature. Another factor that makes this product different from others is that the customer has the option to customize the product, since they are able to choose any design during the decoration or manufacturing stage, which helps to obtain a product made to suit the client's needs.

1.3.9 Added Value

Angara Company products have added value thanks to the entire production process that starts with the preparation of the paste, obtaining the slip, which is the special paste that is made when clays mix, and also the baking process, and the slip and decoration of the product. These products are made with long and difficult techniques that need a lot of dedication and since artificial paints are not used, the product has low levels of lead, which is why the product has added value.

1.3.10 Process

Figure 3: Making utilitarian pottery: Modeling



Source: David Pozo's personal photo library, Angara Company.

The manufacturing process starts with the modeling step in which a model is created of the item, that can be made out of mud or clay, which will be used to make the plaster molds.

Figure 4: Making utilitarian pottery: Making the Molds



Source: David Pozo's personal photo library, Angara Company.

In this step, the model previously made in mud or clay is used. The company sends these models to make the template in plaster molds that will be used to make different products.

Figure 5: Making utilitarian pottery: Paste Filling



Source: David Pozo's personal photo library, Angara Company.

At this stage of the production process, paste is poured into the grinder, which contains quartz stones that grind the clays together with other materials to make the slip or special clay for the preparation of these utility products.

Figure 6: Making utilitarian pottery: Cast



Source: David Pozo's personal photo library, Angara Company.

This is the stage where the slip is introduced into the plaster mold that leads to the formation of the product desired. It is necessary to wait around 4 hours or until the desired shape is obtained.

Figure 7: Making utilitarian pottery: Product Formation



Source: David Pozo's personal photo library, Angara Company.

This is the part of the process when the slip is thickened and minimum 2 hours must pass before moving onto the next step.

Figure 8: Making utilitarian pottery: Draining process



Source: David Pozo's personal photo library, Angara Company.

At this stage, the excess slip is drained and it already has the right thickness thanks to the mold. When the piece loses its brightness, it means it has dried, and the draining process is performed depending on the piece and its form, which can take minimum 2 hours to 3 hours long.

Figure 9: Making utilitarian pottery: Formed Product and Extraction from the Mold



Source: David Pozo's personal photo library, Angara Company.

During this step, the product has a leather-like texture and is made out of dry mud.

Figure 10: Making utilitarian pottery: Drying stage



Source: David Pozo's personal photo library, Angara Company.

At this stage, the products made are air-dried. The time they take to dry depends on each product, but most are usually dry in ten days.

Figure 11: Making utilitarian pottery: Polishing



Source: David Pozo's personal photo library, Angara Company.

In this step of the process, imperfections that the product may have are eliminated with the use of a sponge and water. The product is rubbed with a damp sponge to eliminate irregularities that the plaster molds may have.

Figure 12: Making utilitarian pottery: Baking of the Product



Source: David Pozo's personal photo library, Angara Company.

Once the product is polished, the product is baked for three and a half hours at 1060 degrees Celsius, to make the product more resistant.

Figure 13: Making utilitarian pottery: Engobe Grinder



Source: David Pozo's personal photo library, Angara Company.

The next step is to grinding different clays by adding clay, water and a small percentage of ceramic glaze. The result is a vitrified slip, through which the engobe are dosed until the desired color is obtained. Angara ceramics do not vary much in color because of the clay used from the Azuay province, which results in products that are earthy colors.

Figure 14: Making utilitarian pottery: Engobe Discharge



Source: David Pozo's personal photo library, Angara Company.

After grinding for about 3 hours, the proper density is obtained. Each slip and color has its own unique characteristics. Using a strainer, the engobe is separated from the porcelain stones that were used for the grinding process. For each slip a different clay is used, which is what gives it its own unique tone.

Figure 15: Making utilitarian pottery: Air brushing the Engobe



Source: David Pozo's personal photo library, Angara Company.

Here the products that were engobed are spray painted with an air brush.

Figure 16: Making utilitarian pottery: Enameling the Interior



Source: David Pozo's personal photo library, Angara Company.

In this step, the products are painted with a white engobe or slip using a jug with engobe to fill it up and later to pour out what was not used. The inside of the products is white so it is easier to clean and other various reasons.

Figure 17: Making utilitarian pottery: Decoration



Source: David Pozo's personal photo library, Angara Company.

Here the products are decorated using ceramic colors to paint the ítems with pre-Colombian designs.

Figure 18: Making utilitarian pottery: Second Baking Process



Source: David Pozo's personal photo library, Angara Company.

This stage consists of baking the decorated product at 1100 degrees Celsius for approximately five to five and a half hours. This allows for the slip and decorations of the product to stay in its place and for it to be more resistant.

Figure 19: Making utilitarian pottery: Finished Product



Source: David Pozo's personal photo library, Angara Company.

Once the product is baked, it is finished and ready to be sold.

Figure 20: Making utilitarian pottery: Packaging Process



Source: David Pozo's personal photo library, Angara Company.

Here a poli-expanded and stretch film is used to wrap the product so that the pieces do not move or break. The product is wrapped in newspaper and sponges and is placed in a box.

1.3.11 Distribution Channels

Angara ceramics uses the direct sales channel in most cases where the final customer of the company communicates directly with the workshop to carry out orders. However, there are craft shops that act as distributors of their products in other cities especially in Quito.

In many cases they have had problems transporting the product to other cities. Since it is a fragile product many transportation companies do not want to be the ones who assume damages, so many times they choose to not work with these products. In many cases, the merchandise arrived to its destination broken.

Table 1: Current Sales Points of Angara Ceramics, Divided by Cities

Ciudad	Lugar de Venta
Cuenca	Fabrica-Taller
Quito	Le Thé Casa de Té
	Kalahari Hand Made Decor

Source: Guillermo Guevara interview.
Created by: David Pozo

In the city of Quito, Angara markets its products in two stores; the first store called "Le Thé Teahouse" is a business that according to the company's Facebook page is referred to as "a shop that specializes in selling tea in bulk, as well as accessories, and unique teapots" (Le Thé Casa de Té, s.f.). The second store is called "Kalahari Hand Made Decor", which according to its Facebook page "is a place to show and spread the word about handmade home décor and useful home products." (Kalahari Hand Made Decor, 2016).

In the city of Cuenca its products are sold in their workshop factory, which has a small show room so that visitors can appreciate some samples of various products that they sell.

On the other hand, the company should continue to look for similar distribution channels, which would allow them to further expand its products in markets such

as in the cities of Guayaquil, Ambato, Manta, among others. It would also be beneficial for the company if they worked with a store that handles fair trade, since there are consumers who prefer products with certain awards and seals that guarantee the quality of the product.

1.3.12 Competition

Angara's main competition is the Artesa Company, which is also found in Cuenca and was founded in 1971. Artesa specializes in painted and hand-decorated ceramics and according to their website, it is the number one company in Latin America in the manufacture and sale of handmade pottery. Currently, they have a modern plant, which has the highest technology which allows the company to create high quality products that are decorated with a lot of detail. For the manufacture of its products, Artesa uses raw materials obtained in the region and the enamels and colors used are free of lead and cadmium, in other words, they do not affect the well-being and health of their staff (Artesa, 2015)

According to the information on its website, Artesa manufactures both utilitarian and decorative products. Its main products are dinner sets, tea sets, bowls, salt shakers, pepper pots, jugs of various types, water purifiers, water dispensers, among others. Other items that the company makes in the decorative line are mirrors, vases, lamps and wall mosaics. Artesa has strategically joined forces with a ceramicist from Cuenca, Eduardo Vega, who is a famous muralist and is well known for the production of utilitarian and decorative ceramics. Thanks to this, Angara has launched the utility line VEGA Artesa which contains utilitarian pieces designed by Eduardo Vega exclusively for Artesa, which mixes art and tradition of beautifully hand drawn, painted and decorated ceramics. These use ethnic concepts that represent the Latin character of each of the items (Artesa, 2015).

As a result of the experience gained over the years, Artesa has a network of stores in the cities of Cuenca, Quito, Guayaquil and Otavalo and they also work with authorized international distributors in Taiwan, Canada, Nicaragua, Sweden, Bolivia, Germany, United States and Norway. As can be observed, Artesa has greater competitive advantage over Angara Ceramics, starting with its well established website, which features high-resolution images, with the option of choosing between Spanish and English which is designed for people who visit the

website from abroad. The company also has a detailed product catalog, divided according to the various lines of products that they produce. Artesa also manages a contact which customers can reach out to in order resolve concerns and the company also has precise information available through the national and international distribution network. They can also be found on social networks like Facebook, where customers can view updates, products and promotions that the company offers.

1.4 The need to enter the international market

Angara's products are made using traditional methods and because of its unique process, especially its "engobe" technique, it may be a widely accepted product on the international level. Many foreigners who have bought their products have been amazed by its production process and by the way that they are hand decorated. This is because customers have been attracted by the different symbols and messages that are used in pre-Columbian cultures for decoration of each of these products.

Moreover, Angara has been supported by governmental institutions such as the Ministry of Industry and Productivity (MIPRO) which helped them to obtain credit, in addition to the Institute for the Promotion of Exports and Investments (PRO-ECUADOR) which has helped the company to choose the correct tariff subheading and with finding certain business opportunities in international markets. However, they have not had the opportunity to export because the product has not been successfully promoted locally. Basically the only forms of promotion that the product has had have been through craft fairs organized by various institutions, such as the National Artisan Board (JNDA) or the Center for Popular Arts of Cuenca (CIDAP), and also recommendations from people who bought their products. Internationally there has not been any promotion that may be important in the incursion of new markets.

1.4.1 Emergence of New Attractive Markets

The world imports of handicrafts within the tariff subheading 6912000000 "tableware, kitchenware other household articles and toilet articles, of ceramics other than porcelain" have shown in the last five years an irregular trend because there have been increases and decreases. The average growth rate in the period from 2011 to 2015 is 0.61

This can be observed in the following table:

Table 2: World Imports subheading 6912000000

WORLD IMPORTS SUBHEADING 6912000000					
VALUES IN THOUSANDS USD					
2011	2012	2013	2014	2015	Average Growth Rate
2,980,367	2,958,223	2,961,896	3,258,072	3,032,119	0.61%

Source: Trade Map, 2016
Created by: David Pozo

On an international level, the main importing countries of this subheading are:

Table 3: Main World Importers of subheading 6912000000

Note: Amounts in thousands of dollars.

Importers	Amount imported in 2011	Amount imported in 2012	Amount imported in 2013	Amount imported in 2014	Amount imported in 2015	Percentage Value
World	2,980.367	2,958.223	2,961.896	3,258.072	3,032.119	100%
United States of America	866.068	840.209	910.483	934.011	1,012.983	33.41%
United Kingdom	198.837	180.073	166.965	190.098	184.440	6.08%
Germany	164.890	164.881	150.107	169.614	169.678	5.60%
France	188.737	166.681	139.318	155.430	132.561	4.37%
Canada	130.452	138.189	138.640	141.568	129.744	4.28%
Republic of Korea	47.577	52.264	65.585	77.714	92.442	3.05%
Japan	94.396	95.556	96.944	93.569	80.903	2.67%
Italy	82.522	72.021	66.132	99.629	70.615	2.33%
The Netherlands	60.648	55.082	55.677	83.351	67.691	2.23%
Russian Federation	97.760	114.015	124.564	116.148	65.057	2.15%

Source: Trade Map, 2016
Created by: David Pozo

As can be seen, the main world importers are:

- 1) United States
- 2) United Kingdom
- 3) Germany
- 4) France

5) Canada

However, it is evident that these countries are not the top importers of the subheading 6912000000 from Ecuador.

Table 4: Ecuadorian Exports in Tons and Thousands of Dollars, 2011/01 to 2015/12

Note: Amounts in thousands of dollars.

Position	Importers	Tons	FOB-Dollars	% Total FOB-Dollars
1	Colombia	1,449.67	2,460.67	46.54%
2	Venezuela	543.85	1,025.05	19.39%
3	Peru	424.23	633.54	11.99%
4	Argentina	201.31	397.7	7.3%
5	Mexico	162.67	297.65	5.63%
6	Bolivia	128.42	163.5	3.1%
7	Taiwan	8.33	97.8	1.85%
8	Cuba	110.12	67.6	1.28%
9	Panama	34.55	43.81	0.83%
10	Chile	6.35	27.21	0.52%
11	Hungary	6.6	21.84	0.42%
12	United States	2.04	11.34	0.22%
13	Canada	1.03	7.33	0.14%
14	Spain	0.08	5.1	0.10%
15	Sweden	0.47	4.8	0.1%
16	Jamaica	3.49	4.3	0.09%
17	Honduras	0.33	3.88	0.08%
18	Aruba	0.2	3.44	0.07%
19	Germany	0.26	2.7	0.06%
20	Norway	0.16	2.11	0.04%
21	Costa Rica	0.75	2.04	0.04%
22	Puerto Rico	5.83	1.8	0.04%
23	El Salvador	0.45	1.2	0.03%
24	Dominican Republic	1.28	0.05	0.01%
25	France	0.01	0.03	0.01%

Source: Central Bank of Ecuador, 2016
Created by: David Pozo

The situation is very different when considering countries that import from Ecuador, since they are mostly Latin American countries. It is important to note that the leading world importers that import from Ecuador are the United States, which

is the 12th top importer of this subheading, followed by Canada with is the 13th top importer. Germany is the 19th importer, France is the 25th and the United Kingdom is not found in the ranking.

Table 5: List of the Top World Importers for a Product Exported by Ecuador

Note: Amounts in thousands of dollars.

Importers	Amount exported in 2011	Amount exported in 2012	Amount exported in 2013	Amount exported in 2014	Amount exported in 2015	Total Exported	Percentage Value
World	1,563	1,407	660	709	348	4,687	100%
Canada	0	0	0	7	9	16	0.34%
United States of America	5	0	1	1	4	11	0.23%
Germany	0	3	0	0	0	3	0.06%
France	0	0	0	0	0	0	0.00%
United Kingdom	0	0	0	0	0	0	0.00%

Source: Trade Map, 2016
Created by: David Pozo

As seen in the previous tables, the most important countries for the subheading 6912000000 do not play a transcendental role in Ecuadorian exports of this subheading. As a result, these are markets that can potentially be explored as attractive importing markets of these products because they are nations that have strong economic conditions and operate a key role in different social, economic and political issues worldwide. This can be seen in the following table.

Table 6: Social and Economic Data of the United States, Germany, the United Kingdom, France and Canada

Note: GDP and Export and Import Values represented in in Billions of Dollars

SOCIAL AND ECONOMIC DATA					
Country	United States	Germany	United Kingdom	France	Canada

Population (Total inhabitants)	321,368,864	80,854,408	64,088,222	66,553,766	35,099,836
Population Growth Rate (%)	0.78%	0.17%	0.54%	0.43%	0.75%
Economically active population	49.74%	51.92%	51.11%	45.12%	55.60%
Currency	American Dollar	Euro	Pound	Euro	Canadian Dollar
Exchange Rate	1 usd=1 usd	1 usd=0.93 Euros	1usd=0.66 gbp	1 usd=0.93 Euros	1 usd=1.33 cad
Language	English	German	English	French	English-French
Gross Domestic Product (GDP)	16,776	3,853	2,942	2,829	1,787
GDP Growth (%)	2.40%	1.60%	3.00%	0.20%	2.50%
GDP per capita	\$54,400 (2015 est.)	\$46,200 (2015 est.)	\$39,800 (2015 est.)	\$40,500 (2015 est.)	\$45,000 (2015 est.)
GDP composition per sector (%)	Agriculture: 1.6%	Agriculture: 0.7%	Agriculture: 0.6%	Agriculture: 1.7%	Agriculture: 1.6%
	Industry: 20.6 %	Industry: 30.4%	Industry: 19.9%	Industry: 19.4%	Industry: 28.6%
	Services: 77.8%	Services: 68.9%	Services: 79.5%	Services: 78.9%	Services: 69.7%
Inflation rate (%)	1.6%	0.8%	1.5%	0.6%	1.9%
Unemployment rate (%)	6.20%	5.30%	6.20%	9.90%	7.20%
Export revenues (Last year) (milliones)	\$ 1,633.00	\$ 1,492	\$ 480.80	\$584.50	\$ 478.40
Import expenses (Last year)	\$ 2,374.00	\$ 1,188	\$ 802.10	\$ 631.10	\$ 473.80
Trade balance revenue (Last year)	-\$ 741.00	\$ 304	-\$ 321.30	-\$ 46.60	\$ 4.60

Source: World Bank, 2016
Created by: David Pozo

1.4.2 Risk Diversification

Due to the unique features of the Angara product, it may have a high demand in international markets where handmade products are highly appreciated. According to a study by the company Advance Consultora for the “Mucho mejor si es hecho en Ecuador” Corporation, in Ecuador, one of the most influential factors in the purchase decision making process is “that the product or service being purchased is of a trusted and well-liked brand.” This is very significant, since it shows that Ecuadorian consumers have a deeply rooted behavior called “marquismo”, which leads consumers to search for certain brands that are considered to be quality or

prestigious products instead of considering other factors such as the product price. (Advance Consultora, 2015).

This factor should be beneficial for the company in the local market, since Angara has the highest level of quality in their line of products. However, since it is a relatively new company and does not have a strong position in the market, if it is not recognized as a prestigious company in local households, this aspect that characterizes Ecuadorian buyers can be counterproductive. Yet, with the passing of the years they have been able to expand its products to more customers, both in retail and wholesale sales.

Moreover, the aforementioned study also considers how money influences the purchase decision. According to the National Institute of Statistics and Census (INEC), the "average total income in Ecuador is dollars is \$893 a month in a family composed of 4 people" (National Institute of Statistics and Census, 2012). Meanwhile in developed countries like the United States of America, the average total income is \$4,420 a month according to data of the United States Census Bureau (United States Census Bureau, 2015), in Germany it is 4,086 euros according to website of the Federal Bureau of German Statistics (Destatis Statistisches Bundesamt, 2013) which is equivalent to \$4,495 a month (Central Bank of Ecuador). In the United Kingdom, the average household income is 3,120 gbp according to the National Bureau of Statistics of the United Kingdom (Office for National Statistics, 2014) which is equivalent to \$4,742 a month (Central Bank of Ecuador). While in Canada the average household income is 4,633 Canadian dollars according to the official website of Statistics Canada (Statistics Canada, 2015) which is equivalent to \$3,382 USD a month (Central Bank of Ecuador), and the average monthly income in France is, according to the official website of the Institute for Statistics and Economic Studies, 3842 euros a month (Institut National de la Statistique et des Etudes Economiques, 2013) which equivalent to \$4,226 in the United States (Central Bank of Ecuador). As a result of this information, the company should find new markets abroad that, in the first place, have more purchasing power and secondly, that highly appreciate the features that Angara offers.

Table 7: Comparative table of average monthly household incomes of the United States, the United Kingdom, Germany, France and Canada

Note: Values in thousands of american Dollars, in exchange of 1Usd=0,91Eur, 1Usd=0,70Gbp, 1Usd=1,46 Cad , obtained on 12/14/15 from the Central Bank of Ecuador website

Comparative table of average monthly household income of United States, United Kingdom, Germany, France and Canada				
United States	United Kingdom	Germany	France	Canada
\$ 4,420.00	\$ 4,742.00	\$ 4,495.00	\$ 4,226.00	\$ 3,382.00

Source: United States Census Bureau, 2015; Destatis Statistisches Bundesamt, 2015; Office of National Statistics, 2015; Statistics Canada, 2015; Institut National de la Statistique et des études économiques, 2015.
Created by: David Pozo

It can be observed that top world importing countries have higher average incomes, in comparison to other countries like Ecuador.

Table 8: Age structures of US, UK, Germany, France and Canada

Ages	0-14 years old	15-24 years old	25-54 years old	55-64 years old	65 years old and up
United States	18.99% (61,017.336)	13.64% (43,832.296)	39.76% (127,785.122)	12.73% (40,903.865)	14.88% (47,830.245)
United Kingdom	17.37% (11,131.525)	12.41% (8,041.742)	40.91% (26,217.321)	11.58% (7,422.048)	17.73% (11,365.586)
Germany	12.88% (10,414.157)	10.38% (8,393.708)	41.38% (33,454.112)	13.91% (11,246.798)	21.45% (17,345.633)
France	18.66% (12,416.415)	11.82% (7,868.272)	38.31% (25,494.688)	12.48% (8,302.289)	18.74% (12,471.501)
Canada	15.46% (5,425.051)	12.39% (4,348.106)	40.69% (14,280.913)	13.74% (4,823.044)	17.73% (6,222.722)

Source: World Bank, 2015
Created by: David Pozo

It is important to note the age structure of the different countries, since the company Angara is focused on people who range between 25-54 years-old, since within this range are the people who are buying utility items for the first time or who wish to acquire a new ones. According to a study by CBI Market Information Database on tableware and household utensils, it indicates that the best age segment for these kinds of items is in this age range since within this segment there are two types of

consumers. The first, as indicated in the report, are "couples (without children), which consists of couples where both partners are employed, resulting in a greater purchasing power. They enjoy fashionable products and are open to new and modern design trends. The people in this customer segment are important for designers of high quality dinnerware. On the other hand, middle-aged people who spend most of their free time at home and already have an economic stabilization" is the other important segment (CBI Market Information Database, 2007).

For this reason it is very important to focus on people who are in this age range.

Table 9: Final consumption expenditure of households in the subcategory: glassware, tableware and household utensils United States, United Kingdom, Germany, France and Canada

Notw: Values in Billions of Dollars USD in Exchange of 1Usd=0,91Eur, 1Usd=0,70Gbp, 1Usd=1,46Cad obtained on 01/04/16 from the Central Bank of Ecuador website

Final consumption expenditure of households							
Category: Furnishings, household equipment and routine maintenance of the house							
Subcategory: Glassware, tableware and household utensils							
Country	2011	2012	2013	2014	2015	Total	Average
United States	\$ 45,108	\$ 47,186	\$ 49,084	\$ 50,409	\$ 51,423	\$ 243,210	\$ 48,642
United Kingdom	\$ 6,946	\$ 7,158	\$ 7,217	\$ 7,730	\$ 7,971	\$ 37,022	\$ 7,404
Germany	\$ 8,379	\$ 8,889	\$ 9,092	\$ 9,388	\$ 9,876	\$ 45,624	\$ 9,125
France	\$ 7,045	\$ 7,161	\$ 7,124	\$ 7,171	\$ 7,367	\$ 35,868	\$ 7,174
Canada	\$ 4,180	\$ 4,349	\$ 4,550	\$ 4,722	\$ 5,324	\$ 23,125	\$ 4,625

Source: Organization for Economic Cooperation and Development, 2016
Created by: David Pozo

This is a very important indicator because this variable determines the total expenditure of households in the category "Furniture, household equipment and routine maintenance of the house" and specifically in the subcategory "Glassware, tableware and household utensils", where Angara products are categorized in.

As can be observed, the United States is the biggest spender in the subcategory "Glassware, tableware and household utensils" with an average in the last 5 years of \$48,642 billion dollars a year followed by Germany with \$9,125 billion dollars annually, the United Kingdom ranks in third place with \$7,404 United Kingdom billion dollars annually, in fourth place is France with \$7,124 billion dollars annually and in fifth place is Canada with \$4,625 billion dollars annually.

In short, the data presented will be considered for the selection of the three countries in which market research will be conducted in, which will lead to the subsequent election of just one market. The countries that have been considered mainly for their economic and social characteristics are the United States, Germany and United Kingdom, since these three countries represent highly attractive markets.

The countries mentioned have been selected because of their market characteristics, since these are countries with high purchasing power, with a large population in the segment towards which Angara products are directed towards, and with high standards of consumption for goods and services compared to other countries in Latin America and the rest of the world.

1.5 Government Incentives

Nowadays, the country has focused their efforts to generate help for those who wish to export their products to new markets. As a result, the Promotion Institute of Exports and Investments (PROECUADOR) through the Ministry of Foreign Trade has established an entity "responsible for carrying out policies and standards of promotion of exports and investments in the country, in order to promote traditional and non-traditional products, and the markets and actors of Ecuador, promoting the strategic insertion in international trade "(Pro Ecuador, 2015).

This institute works by creating a database of potential exporters, placing them in categories according to regions and sectors. This form of registry helps in the case that there is any potential buyers abroad, who will be able to easily contact the exporter and talk about the business opportunity. In addition, Pro Ecuador conducts informational events, training on how to export, trade fairs and business conferences in the various sales offices that the institution has worldwide (Pro Ecuador, 2015).

Additionally, the Ecuadorian government has implemented the “Exporta Fácil” or Easy Export program, a program created in Ecuador and that is used world-wide, which seeks to "facilitate exports of Small and Medium Enterprises (MSME), which are people who come from the popular and solidarity economy and are the Artisans of the country, through a simplified, agile and cheaper system of exports which works with the Ecuadorian Postal Service or “Correos del Ecuador” and with

the benefits of different programs and services of the participating entities” (Exporta Fácil, 2015)

This program as previously noted is intended for craftsmen and MSMEs, which seeks to generate their active participation through the immersion into international markets by simplifying procedures by integrating information and technological platforms of all entities involved in the export process. It works very easily, the user must log into the Easy Export or “Exporta Fácil” portal using the Internet and fill out an export application, where exporters must complete the simplified customs declaration (SAD) and meet certain requirements like having a RUC (Single Taxpayer Registration) of the company, a Packing List, a Commercial invoice and other accompanying documents needed depending on the type of merchandise. However, the items being exported should be only in packages of up to 30 kilos with a FOB (Free on Board) value that does not exceed \$5,000 (Exporta Fácil, 2015).

1.6 Macro Environment

The importance of highlighting the factors that Angara cannot control lies in the knowledge that the company may have on the environment in which it operates. Knowing factors that can affect the development and performance of the business is critical to move towards the right path towards success.

The factors that are found on the macro environment can affect a company both positively and negatively. However, it is important to note that, in the case of being a positive effect, is important to be able to recognize them in order to take advantage of the opportunities and in the case of being negative, it is significant to know how to identify those that can become a threat and to be prepared and develop strategies to overcome those circumstances in the best possible way.

1.6.1 Political Aspect

The country is politically encouraging the development of local industry, through laws that promote the competitiveness of domestic firms when competing with foreign ones. The Ecuadorian Institute of Standardization (INEN), which "since its inception has been acting as the national entity responsible for formulating the

Ecuadorian Technical Standards based on meeting local needs and facilitating domestic and international trade" (Ecuadorian Standards Institute, 2015). It has allowed Ecuadorian products to meet the requirements to produce quality products that achieve standards and improve competitiveness in most industries.

It is important to note that in the artisanal sector there is an entity called the National Defense Board Artisan (JNDA or Junta Nacional de Artesanos) exists, which "has the mission to lead the strengthening, professionalization and development of the craft sector that produces goods and services, by promoting public policy, training, research and the provision of services to craftsmen and women" (Junta Nacional de Defensa del Artesano, 2015). This institution is protected under the Craftsman Defense Law in order to enforce the rights artisans have and also it is the entity responsible for "developing the draft regulations for the issuing of certificates of master craftsmen at its different levels "(Derecho Ecuador, 2014).

Some of the benefits that artisans have under the Craftsman Defense Law are the following:

- Exemption from the payment to operators and apprentices of the thirteenth and fourteenth salary and utilities.
 - They are exempt from paying the additional bonus to operators and apprentices
 - The artisan work is protected against contractors
- (Artesanos Ecuador, 2015)

The outlook of this aspect has been favorable in the domestic industry. The fact of creating these programs and action plans to guide SMEs has allowed companies such as in the case of Angara to have a bigger possibility to grow and develop in a favorable environment.

1.6.2 Economic Aspect

Considering the economic reality of Ecuador, it is noteworthy that "since the half of the last decade, Ecuador benefited from high oil prices and, more recently, has been able to obtain more external financing, which allowed a significant fiscal stimulus. This momentum involved increased social spending and important

transport and energy investments. As a result, between 2006 and 2014, the growth of the GDP was an average of 4.6% " (World Bank, 2015).

As stated by the World Bank, the Ecuadorian economy had a very significant rise in recent years thanks to the petroleum boom. However, the outlook for last year 2015 and for this year 2016 is not encouraging. "The World Bank notes that the dollar's appreciation led to a loss of competitiveness for Ecuadorian's dollarized economy. This, along with lower oil prices, pushed Ecuador into a recession in 2015 "(El Comercio, 2016).

Both factors substantially affect the company. In the first place, the fall in oil prices has generated a time of austerity in both public and private companies and in general throughout the Ecuadorian economy, which has resulted in the worst cases of worker layoffs. As a result, since these people have stopped receiving a salary, they would have less to spend on luxury goods and would focus on what is necessary. On the other hand, the appreciation of the dollar against other currencies especially the neighboring countries have caused prices of Ecuadorian products become more expensive and less competitive internationally, creating large monetary losses in several companies that conduct foreign trade and therefore a decrease in foreign exchange earnings for Ecuador.

In reference to Angara's economical aspect, there are several factors that are in favor of the activities of the company, since by being a Mipyme found in the craftsmanship category, they enjoy certain benefits that help in the economic environment.

In the current law Artisan Defense, there are certain benefits that are granted in the tax area such as:

- Billing rate 0% (I.V.A.)
- Exemption from semiannual taxes
- Tax exemption for export of handicrafts
- Exemption from payment of municipal license taxes and total assets
- Exemption from taxes on transfers of ownership of immovable property for handicraft centers and training workshops. (Craftsmen Ecuador, 2015)

More importantly, these fiscal benefits award artisans with special privileges that are essential to encourage these workers, because according to the Ecuadorian Social Security Institute (IESS) "this sector represents many workers in Ecuador with an average of 48,000 artisans, they generate an average 980 thousand jobs" (Ecuadorian Social Security Institute, 2015).

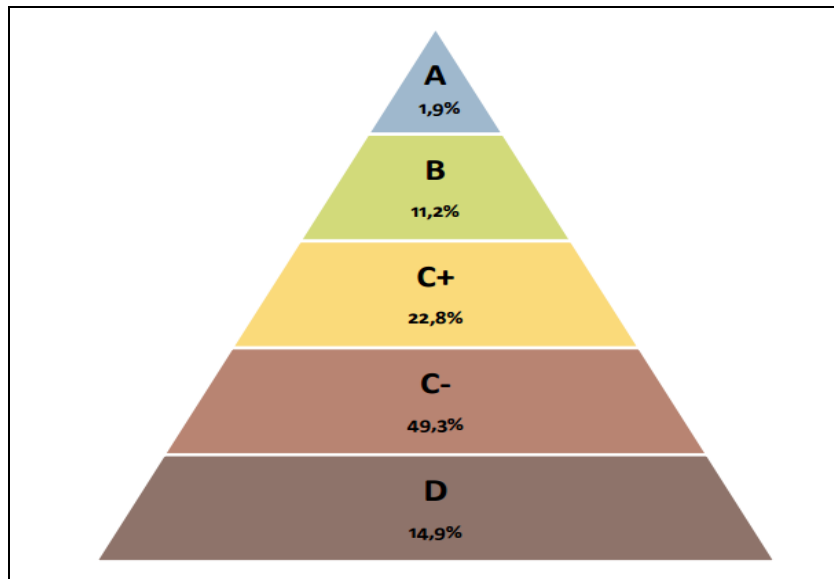
1.6.3 Social Aspect

In reference to the social aspect, it should be noted that remarkable progress has been generated in the last decade with regard to poverty reduction. According to the World Bank, in Ecuador "poverty measured by income decreased from 37.6% to 22.5% and extreme poverty fell from 16.9% to 7.7%. Similarly, the Gini coefficient of inequality was reduced by seven points, from 0.54 to 0.47 because the growth the country had benefited the poor" (World Bank, 2015).

It is evident that the oil and, in general, the economic boom that Ecuador has had in recent years has benefited various social groups. According to the National Institute of Statistics and Census (INEC), Ecuador is composed by five socioeconomic strata. This information is reflected in the document entitled Socioeconomic Level Stratification Survey of the year 2011, the last research conducted in this category, which takes into account dimensions such as housing, education, economy, goods, technology, consumer habits, among other variables.

The socioeconomic strata are composed in the following way:

Figure 21: Socioeconomic Stratification Pyramid of Ecuador



Source: Instituto Nacional de Estadísticas y Censos, 2012

Angara focuses on the first three strata, since these meet the characteristics, which in theory are people who would buy the company's products. Therefore 35.9% of the population is approximately 5.7 million people, which are the potential buyers who could pay and would possibly like to buy a product made by Angara.

On the other hand, the country has established certain benefits and social privileges for the employer with their employees.

Among these are the following, according to the National Defense Board Artisan (JNDA).

- Insurance affiliation for workshop teachers, workers and apprentices
- Access to social security benefits
- Extension of social security to the entire family
- Avoidance of payment of reserve funds

(Artesanos Ecuador, 2015)

Within the social aspect, it is important to note the efforts of public and private institutions to highlight the work of artisans in different cities around the country. It is important to focus on these contributions from the agencies because thanks to this, different fairs, meetings and spaces are held so that the general public can appreciate the different products that artisans have. One of these great efforts is the Regional Portal Handicrafts Cuenca (PRAC) which is currently at the stage of

registration of craftsmen and will be running by later this year. The Municipal Economic Development Perspective is in charge of this entity (ESDP EP, 2016). This space will serve for different craftsmen to exhibit their products without intermediaries and in a space according to the marketing of such products, in addition to the necessary training provided by the municipal economic development.

1.6.4 Technological Aspect

Within the technological aspect, it is important to emphasize that Ecuador has maintained a favorable policy with respect to technology and access to new forms of communication so that both private and public companies have been able to modernize their ways of operating. The country based on new technologies within the "National Development Plan 2013 - 2017" firmly believes that "the state must improve its management and quality in the provision of services, for which the use of Information and Communications Technologies (ICT) becomes a key factor" (National Secretary of Public Administration, 2014). It is for this reason that the current government has invested many financial resources to modernize their technology for better e-government services.

According to the document "National Development Plan 2013 - 2017" "Electronic Government organizes ICT in the most convenient way to improve the way they relate to the four main actors (government, citizens, productive sector and public workers), thereby eliminating communication barriers and strengthening relationships and partnerships with players in an increasingly interconnected and globalized society" (National Secretary of Public Administration, 2014). In this way, and through the Ministry of Industry and Productivity (MIPRO), the Undersecretariat of MSMEs and Handicrafts have the goal of "promoting innovation in productive sectors, and strengthen the activity of micro, small and medium enterprises (MSMEs)" (Ministry of Industry and Productivity, 2013). Within this support to MSMEs generated by this institution, the access to loans is easy for the development of the technological, commercial and productive aspects of this sector.

1.7 Conclusions

The first chapter demonstrates the weaknesses and strengths that the company Angara has after analyzing its micro and macro environment. Starting with the fact that Angara has found the necessity to seek new customers and new markets within Ecuador. The company has not had a proper management in promoting the brand and its products, and this is why Angara has had such poor presence in other cities which makes it more difficult for it to generate higher profits. The use of ICT or information and communication technologies in the company has not been successful, since the company website is very incomplete, outdated and does not allow greater interface with the customer and its Facebook page does not have an updated photo of products and effective marketing techniques for social networking.

On the other hand, the lack of adequate physical space hinders production and product success, which is due to the fact that the company could use the additional space for more machinery, storage units and an adequate space to display their products (show room). These extra features cannot be built on the land that Angara currently owns because it is too small, has narrow corridors and is located in an area with no parking that does not provide facilities to visitors. Although there is a project to build a museum-workshop so that visitors can learn about the manufacturing process and observe the items and products that are available, this project has been put on hold because of all the permits that must be awarded to Angara by the Municipality of Cuenca.

As for risk diversification, it is clear that consumers in countries with a greater purchasing power would be more willing to pay a higher price for Angara's products, since these are countries that are bigger than Ecuador, with populations that tend to appreciate handmade products much more than Ecuadorians do. For these reasons, the idea of seeking new markets and measuring the effectiveness of a promotional campaign through Information and Communication Technologies (ICT) must start with the selection of possible markets where the campaign could be applicable. As a result, the top importer countries can be determined, which are very attractive markets, and in this case the results determined the United States,

the United Kingdom, Germany, France and Canada as such significant countries. These also manage imports from Ecuador with respect to the tariff subheading 6912000000 dishes and other household goods, hygienic or toilet articles, other than porcelain.

When performing an economic and social analysis, it has been determined that out of this group of five countries the top three for market research were the United States, the United Kingdom, and Germany. This is thanks to their macroeconomic data that demonstrated that these were the strongest in percent growth of Gross Domestic Product (GDP) per year and they have the highest GDP. Also their average household income and the total spent by consumers on home goods, particularly dishes and cooking utensils are the highest.

As for the analysis of the macro business environment, it was observed that in the last decade Ecuador has been supporting industries and especially small and medium enterprises (SMEs) with both economic, social and labor policies that facilitate the growth of producer's, especially artisans. However, the future of industries is not all positive due to the fall in oil prices which directly affects the country and also, the appreciation of the dollar directly affects those who export since their products become more expensive in external markets.

Although these factors had a greater effect in 2015, they directly affect the business Angara. This is why the company cannot continue without searching for new markets abroad that have better socioeconomic conditions, especially an exclusive market from which Angara can benefit from and obtain higher economic returns, where its consumers greatly appreciate Angara's products.

Taking advantage of the fact that foreigners tend to appreciate crafts and handmade products much more, it is essential that the company begin using new methods of advertising to achieve a certain position and find markets abroad.

However, Angara Ceramics still needs to work harder if it is compared to its competition. In the first place, Angara's website needs much more interaction with its users, information and high resolution images that allow visitors to have a clear idea of the products they offer. Improvements of the website can include an online shopping option, since it is a trend that some SMEs in the city are beginning to include on their websites as in the case of straw hat companies, which has come to

be a highly desired product in international markets. On the other hand, the partnership with handicraft sellers in other cities within Ecuador and the world would be a very good option from which Angara can gain greater recognition and positioning of their products.

CHAPTER 2: ANALYSIS OF ATTRACTIVE MARKETS FOR THE ANGARA COMPANY

2.1 Introduction

In order to be able to carry out the market study, it is necessary to obtain substantial information from countries to select the best possible option. The company's International Web Positioning Plan will be applied in one of the following markets: United States, Germany or the United Kingdom. These markets have certain characteristics that make the possible entry of Angara into these markets very interesting.

As seen earlier in the first chapter, the three countries have features that allow the company Angara the possibility of implementing an International Web Positioning Plan in one of these countries in order to assess the effectiveness of that plan. This chapter seeks to analyze in greater depth the previously selected markets, in order to set aside two countries and select the best market in which a Web promotion plan will be applied.

2.2 United States of America Analysis

As noted in the first chapter, the United States is the largest importer worldwide of the subheading 6912000000 representing "Tableware and other household goods, toilet articles, of ceramics other than porcelain" with \$1,012.983 thousands of dollars in 2015 representing 27.76% of world imports according to Trade Map.

Table 10: US imported value of subheading 6912000000

Note: Values in thousands of US dollars

Importers	Imported Value in 2011	Imported Value in 2012	Imported Value in 2013	Imported Value in 2014	Imported Value in 2015	Average Growth Percentage of this Period
United States of America	866,068	840,209	910,483	934,011	1,012,983	4.10%

Source: Trade Map
Created by: David Pozo

As shown in the table above, there is a growing trend in imports of subheading 6912000000 which represents "Tableware and other household goods, toilet

articles, of ceramics other than porcelain", being 2015 the fastest growing percentage compared to previous years.

Table 11: List of supplying markets for a product imported by the United States of America

Note: Values in thousands of USD

Exporters	Imported Value in 2011	Imported Value in 2012	Imported Value in 2013	Imported Value in 2014	Imported Value in 2015	USA Share of imports (%) 2015
World	866068	840209	910483	934011	1012983	100%
China	689317	659189	705116	714170	798835	78.86%
Portugal	32120	38883	43800	40806	42617	4.21%
Thailand	34429	28417	31227	38836	41697	4.12%
Mexico	15064	20509	24188	27943	33341	3.29%
Italy	20537	22053	24793	23517	19798	1.95%
United Kingdom	16330	12211	14908	14920	13420	1.32%
Indonesia	8493	9316	11660	15422	8215	0.81%
Japan	9195	8540	7486	7666	7764	0.77%
Poland	8856	6518	7044	7281	7341	0.72%
France	8752	8251	9585	7799	6884	0.68%

Source: Trade Map
Created by: David Pozo

US is mainly supplied by China when it comes to subheading 6912000000, since China covers 78.86% of total US imports, which is well above its competitors that only reach a participation of less than 5% according to Trade Map.

In the United States, the tableware market generated a total sales of 1,224.3 billion dollars in 2013, surpassing the year 2012 with sales of 1.155 billion dollars, an increase of 6%, according to a report by the government agency of the United Kingdom "UK Trade & Investment (UKTI)" on the US market of household items and tableware (UK Trade & Investment, 2015). The article also indicates that 75% of dinnerware sales across the United States are porcelain and ceramics while the remaining 25% are of glass and ceramic. It also mentions that "cookware, made of terracotta and environmentally friendly coatings grew a 4% in 2014 "(UK Trade & Investment, 2015). Similarly, the report notes that an increasing number of consumers are purchasing these types of items online.

2.2.1 Socioeconomic Aspects

The United States is one of the most populous countries worldwide, since according to the World Bank, it has a population of 321,368,864 million people (World Bank, 2016). This makes it the third most populated country in the world, only surpassed by China which tops the list and India ranks in second, according to the newspaper Europa Press (Europa Press). Its population growth rate in 2015 was 0.75% and compared to previous years, it has decreased since in 2014 it was 0.78%, in 2013 and 2012 it was 0.90%, and in 2011 it was 0.96%. This demonstrates that there has been a downward trend according to the CIA Fact Book (Central Intelligence Agency, 2016).

According to the BBC, the US is the most important global economy, since its gross domestic product accounts for about a quarter of the world's total GDP (BBC, 2015). The US's GDP has considerably increased in recent years, according to this country's Bureau of Economic Analysis, in which can be observed that when comparing its GDP in 2011, which was 155179000000000 trillion, with its GDP in 2015 that was 179470000000000 trillion. This results in a percentage growth of 13.53% (Bureau of Economic Analysis, 2015). This factor could benefit Angara because if the country's GDP increases, this means that the country is producing more and thus increasing the occupation rate, which in turn increases the number of people receiving a salary, so in theory there would be more people who could spend part of their salary Angara's products.

The US's GDP per capita has also increased, since according to information from the CIA, in 2012 the GDP per capita was \$ 52,300, and in 2013 it increased to \$53,600, in 2014 the figure was \$54,900 and finally in 2015 it was a total of \$56,300. It is evident that there was an increase of the GDP per capita during this time period of \$4,000 or 7.64% (Central Intelligence Agency, 2016). This means that nominal income has increased.

As seen in the first chapter, the United States is the country with the highest household spending total with a total of approximately \$48,642 billion from 2011 to 2015 in the "Furniture, household equipment and routine housing maintenance" category and specifically in the "Glassware, tableware and household utensils" subcategory, in which Angara's products are included in.

2.2.2 Political Aspect

The political environment is very important when carrying out an analysis, because it can cause great both adverse and positive effects for businesses and companies. This is why the current relationship that Ecuador has with the United States will be analyzed to determine the status of these countries and to reach conclusions that will help in the selection of the best target market.

The political relationship between Ecuador and the United States has had several complications in recent years, and it could be said that it has not been the best, yet it is very necessary. Since Rafael Correa has been in power of the government, there have been "difficult times such as the expulsion of the Ambassador Heather Hodges in 2011 in Ecuador, but in recent times there have been other complicated situations because of the position of the Ecuadoran government in the Julian Assange Case, who is the WikiLeaks founder, and in the case of former CIA technician Edward Snowden, both sued by the US" (El Universo, 2013).

As a consequence of these cases, in 2013 Ecuador waived "The Law of Andean Trade, Promotion and Drug Eradication Act (ATPDEA)," in which tariff preferences were granted to various products from Ecuador as an incentive to the fight against drugs. The Ecuadorian government claimed that the treaty was blackmailed and was a way for the US government to control Ecuador, as was stated in 2013, by "the Ecuadorian President's Communications Secretary, Fernando Alvarado, who said that Ecuador" does not accept pressure or threats from anyone will not trade based on principles and will not be subject to commercial interests no matter how important these may be, he also indicated that the preferences were granted to the Andean countries as compensation for their fight against drugs, but that is has become a new instrument of blackmail. Which is why, Ecuador waives such preferences" (El Universo, 2013).

For these reasons, the Ecuadorian government has decided to search for new markets, since the United States is and has become to be our largest trading partner. However, because of the tension between the countries in recent years, Ecuador has tried to diversify its markets, aiming towards an agreement with the European Union and countries in the Middle East and Asia. Currently Ecuador's trade policy with the United States is based on the "(Generalized System of Preferences, GSP)

which benefits exports from Ecuador, and was renewed in June 2015 to 31 December 2017. It establishes zero duty policy for about 400 subheadings of Ecuador's export products" (Ministry of Foreign Trade, 2015).

2.2.3 Cultural Aspect

According to a 2015 study directed by MIB (management and investment business) intelligence Pro Ecuador, "the United States is one of the culturally and racially diverse countries in the world; consequently, this diversity is also reflected in the business field. It is important to consider that each State has a unique and distinctive behavior in comparison to others" (Pro Ecuador, 2015). However, consumers have evolved around certain characteristics that have allowed for the consumption habits of Americans to vary.

The previously mentioned document emphasizes that the "Boomers", a concept established by American sociologists to describe people born after World War II between 1942 and 1960, "are the most influential group in terms of consumption, especially because of their ability to purchase" (Pro Ecuador, 2015). Similarly, Pro Ecuador noted that the "Millennials", a concept used to describe a group of people born between 1985 and 1994, will displace the Boomers in the medium term and that for this segment, speed and quality are highly appreciated factors.

According to this commercial guide, the American consumer is becoming a more educated, demanding and technological consumer, which benefits Angara since the company seeks for a segment that values and is interested in foreign cultures, traditional manufacturing processes and companies that use technology to promote and market their products. According to the internet portal Banco Santander, "the American consumer is very open to buying foreign products" (Banco Santander, 2016).

2.2.4 Technological Aspect

According to the US commercial guide developed by Pro Ecuador, the US consumer is a digital consumer, since 87% of the population has Internet access. "Technology is playing an important role in presenting direct information of products and services to consumers. The use of "smart" technology creates an experience between the consumer, the product or service and the company, which

not only limits the purchase to a simple commercial transaction, but it also seeks to create a pleasant and long-term experience" (Pro Ecuador, 2015).

In addition, American consumers are increasingly interested in the transparency of the products they want. A study by Pro Ecuador indicates that they are interested in learning about how products are made, their ingredients, their production process and especially "products that offer as an added value the tradition and identity of the hands that made the product" (Inter-American Center of Popular Arts, 2013).

According to the World Bank, in the United States 87 out of every 100 people are internet users (World Bank, 2016). In addition, according to Internet World Stats website, the US has 280,742,532 million people using internet or 87.4% of the total population (Internet World Stats, 2015). Regarding the use of social networks, Statista.com found that in 2015, 73% of Americans had a profile on a social network, and the most used social network in the United States is Facebook with 156.7 million users (Statista.com, 2015).

The website Emprendedores.es states that the American consumer is a "cyber buyer since more than 55% of consumers shop online, which is why so many business opportunities can be found in the online world" (Emprendedores.es, 2015). This is why in the United States in 2015 the online market generated 341.7 billion Dollars according to a report by the Census Bureau of the United States. Also a study by CPC Strategy, a website specialized in e-commerce, indicates that there are 201 million people who buy online in the United States (Weinstein, 2013).

In the field of tabletop products in the US market "sales rose more than 31% from February 2013 to February 2014. Overall, online sales of table goods occupy 22% of total sales" (UK Trade & Investment, 2015). As can be observed, America is a big market for online sales, because it covers a large market that is connected, which would be an advantage for the Angara Company.

2.2.5 Demand Profile of the US Market

Based on the data presented in this chapter, it is evident that the demand profile of the US market is very interesting because it has a high purchasing power and good economic standards. In terms of population, it is a very broad market that has a high

quality of life and it is a consumer market, that has very advanced technological tools and the use of Internet use is vast.

The US consumer is changing their way of thinking and is evolving into a more intelligent and rational buyer. A very important global trend is the purchase of products with ecological, fair trade, and organic certifications, among others, which have become very popular in the US market. According to the electronic portal Central America Data, "Consumption of products with the Fairtrade certification has been increasing in recent years, especially in developed countries such as US, Canada and Europe. It also indicates that US sales of the Fairtrade brand were nearly \$400 million dollars since it was introduced in this region in 2012". (Central America Data, 2014)

In the United States, fair trade has a logo endorsed by the Fair Trade Organization USA, which is defined according to its website as "a nonprofit organization that certifies transactions between U.S companies and their international suppliers to guarantee that the farmers and workers are paid fair prices and wages, work in safe conditions, protect the environment and receive community development funds" (Fair Trade USA, 2016). Products that can be applied to a certification seal of this type are mostly food items such as cocoa, coffee, honey, fruits, sugar and there is also a certification for clothing and household products.

Figure 22: US Fair Trade Certificates



Source: Fair Trade USA, 2016

Angara's products are in constant contact with food products and in the United States there are several studies that show how food is contaminated with lead that comes from imported tableware and containers. An investigation carried out in the

city of Philadelphia by Gerald O'Malley, department director of clinical research at Thomas Jefferson University Hospital, studied ceramics imported from Mexico and especially from China, the US's largest supplier of kitchen tools such as dishes, bowls, and cups, among others. The study results were alarming, according to the website food safety news, because out of 88 pieces analyzed 25% of these contained levels of lead that evidently exceeded the normal quantities allowed by the U.S. Food and Drug Administration (FDA). Specifically, some of the parts contained 145 parts per million, a rate far beyond the limit of 2 parts per million imposed by the FDA (Mitchell, 2011).

This factor is very interesting for Angara because the company's products contain very low levels of lead thanks to its production techniques. Some time ago, the company carried out solubility tests in the laboratory of environmental analysis at the University of Azuay led by Dr. Piercosimo Tripaldi and the result was that Angara's products contained less than 1 part per million of lead. The Food and Drug Administration of the United States (FDA), has a list of worldwide suppliers that have been certified as producers of lead-free products. In the event of a future export to the US by the company Angara, they should obtain the FDA certificate and which would be very beneficial for its product since it would make it more attractive in the US market.

2.3 Analysis of Germany

Germany is the fourth top country in the world that imports the tariff subheading 6912000000 that represents "Tableware and other household goods, toilet articles, of ceramics other than porcelain" in the last 5 years. However, in 2015 it was the third country to import these products, coming in ahead of France with 169,678 thousand dollars of imports representing 5.60% of total world imports according to Trade Map.

Table 12: Germany's imported value of subheading 6912000000

Note: Values in thousands of US dollars

Importers	Imported Value in 2011	Imported Value in 2012	Imported Value in 2013	Imported Value in 2014	Imported Value in 2015	Average Growth Percentage of this Period
Germany	164,890	164,881	150,107	169,614	169,678	1.02%

Source: Trade Map, 2016
Created by: David Pozo

As can be seen, Germany has had an irregular trend in imports of subheading 6912000000. This is because both 2012 and 2013 show a decrease in imports compared the 2011 value, but in 2014 imports rose and maintained in 2015. As a result, it can be said that the German market is a market that over the past two years has had an upward trend and in this period of time has had an average percentage growth of 1.02%.

Table 13: List of supplying markets for a product imported by Germany

Note: Values in thousands of US dollars

Exporter	Imported Value in 2011	Imported Value in 2012	Imported Value in 2013	Imported Value in 2014	Imported Value in 2015	Germany's Share of imports (%) 2015
World	164890	164881	150107	169614	169678	100%
China	85676	88066	64246	66196	66938	39.45%
Portugal	14942	12105	15389	22279	20296	11.96%
Thailand	15920	17195	15089	15254	14132	8.33%
Romania	13215	11178	10746	11938	13623	8.03%
Poland	1179	1106	788	3672	10041	5.92%
The Netherlands	5677	5611	5241	9121	6502	3.83%
Turkey	8485	7153	6375	7819	6027	3.55%
Vietnam	4444	3971	4594	2949	4764	2.81%
France	4078	3448	3928	3718	3966	2.34%
Czech Republic	185	1459	885	1831	3681	2.17%

Source: Trade Map, 2016
Created by: David Pozo

When it comes to tariff subheading 6912000000, China is its top supplier since this country covers 39.45% of Germany's total imports of these products. However the difference is not as marked as in the case of the US and the United Kingdom, in

which China accounts for over 50% of total imports. It can be concluded that there would be less competition with products from China in this market.

2.3.1 Socioeconomic Aspects

According to the World Bank, Germany has a population of 80,854,408 million people, making it the most populated country of the European Union (World Bank, 2015). "Germany is a modern and open country with a high quality of life and remarkable multinational diversity" (Facts about Germany, 2016). Germany faces a huge demographic decline as daily "El País" states in an article entitled "The German problem" which indicates that "the current population is about 81 million people, but projections point to a reduction of 20% in the next 50 years. Germany would have a population of 65-70 million in 2060, lower from France. Also, the population will be a much older. Currently, people over 65 years-old account for 20% of the population" (Ubide, 2015).

According to a study by Pro Ecuador, Germany "occupies 18th place in the ranking of the world's most populated countries, the most populated cities being Berlin (capital) with 3,438,000 people, Hamburg with 1,786,000 people, Munich with 1,349,000 people, and Cologne with 1,001,000 people" (Pro Ecuador, 2015).

According to information of the digital portal of the bank Santander, "Germany is the largest economy in Europe. German economic growth rose to 1.4% of GDP in 2015 and this trend is expected to continue in 2016" (Banco Santander, 2016). It's Gross Domestic Product (GDP) has increased from 2,820.820 billion euros in 2013 to 3,026.600 billion euros in 2015 which means that there has been a growth of 2.10% in this period of time, according to the official website of the German federal statistics office (Destatis Statistisches Bundesamt, 2013).

Germany is considered by many as the most important market in Europe because of its strong economy and its population figure as the highest in the European Union. Its GDP per capita has also increased, since according to information from the CIA, in 2012 its GDP per capita was \$45,300, in 2013 it increased to \$45,900, in 2014 it increased to \$46,700 and finally in 2015 the figure was \$47,400. As a result, it can be said that the GDP per capita increased \$2,100 or 4.55% during that time period (Central Intelligence Agency, 2016). This implies that nominal income has increased.

It is important to highlight that in the first chapter, Germany is ranked with the second highest total household expenditure with \$9,125 million dollars on average from 2011 to 2015 in the "Furniture, household equipment and routine housing maintenance" category and specifically in the "Glassware, tableware and household utensils" subcategory, in which Angara's products are included in.

2.3.2 Political Aspect

"The Federal Republic of Germany adds to its image as a major economic power on all continents, an increasingly intense political activity. Germany has also intensified its contacts, activities and investments in emerging areas such as Latin America and Asia" (Diplomatic Information Office, 2015). Recent relations between Ecuador and Germany have been good and have grown due to the Ecuadorian government's interest in entering new markets and having a greater market in the European Union, which is Ecuador's second best business partner but it is the main destination for all non-oil exports, according to Diario El Universo.

For this reason, the ministry of foreign trade has carried out negotiations with Germany and the entire EU block to increase its exports and achieve the reduction of European tariffs for certain Ecuadorian import products, as well as certain aspects such as property intellectual, public procurement and services, according to Diario El Comercio. The German government has provided assistance to the Ecuadorian government by signing agreements of cooperation on issues such as superior education, environmental topics, transportation and trade, among the most important ones. However, there were moments of tension between the two nations on environmental issues in 2014 when the then foreign Minister Ricardo Patiño "announced that Ecuador has unilaterally terminated the cooperation with Germany on environmental issues and will accept no intention of 'monitoring' the work done by the Government. For this reason, the second announcement stated that the money received from Germany shall be returned, with interests, which was a result from the meeting held between German parliamentarians and the Yasunidos group "(El Universo, 2014).

However, these moments of tension did not generate any major effects on diplomatic relations between Ecuador and Germany. Since the end of 2015, cooperation agreements on environmental issues were resumed, which have existed

for several decades according to Public News Agency of Ecuador and South America (ANDES). In reference to the trade policy, Ecuador seeks to maintain the trade agreement with all of the benefits acquired by General System of Preferences GSP Plus that the European Union maintained with Ecuador until 2015.

It is evident that there is a significant business, political and cooperative relationship between Ecuador and Germany, which is very important so that Ecuador can generate revenue when exporting its products to this market since diplomatic relations go hand in hand with trade. This is important for a company like Angara, which seeks markets such as Germany that offer good opportunities, with a large population and with high purchasing power, which can be beneficial for the company.

2.3.3 Cultural Aspect

Germans have a society that "is characterized by a high level of education, innovation and productivity and highly developed infrastructure. Its people are characterized with having an environmental conscience and recognize that human actions have direct consequences on global warming. The country supports sustainable development worldwide and is committed to treaties that promote biological diversity" (Cultural Intelligence, 2010).

The German culture "is proud of its hospitable, open and respectful society with new cultures and nationalities" (Top School, 2016). Also they act on the basis of values such as respect and punctuality. As indicated by the Cultural Intelligence website, "society operates according to an order and a certain structure. For Germans it is very important to have a vision and clear goals of what wants to be accomplished each day by establishing an appropriate time for each activity. Planning gives them a sense of security about their future" (Cultural Intelligence, 2010).

2.3.4 Technological Aspect

According to the World Bank, in Germany 86 out of 100% of people are internet users (World Bank, 2016). Additionally, according to Internet World Stats website, Germany has 71,727,551 million people using internet or 86.2% of the total

population (Internet World Stats, 2015). A study by the "Institute for market research GfK" and presented by the bank Santander showed that "German consumers are used to buying from a catalog and increasingly, from the Internet" (GfK Media & Communication Research, 2014) cited by (Banco Santander, 2016). Also, according to the website E-Commerce Europe, 48.5 million German consumers buy goods or services online which corresponds to 59% of the German population (E-Commerce Europe, 2014).

It is evident that the German consumer is focusing a lot more on online shopping. This is important for Angara because it needs a market that use search engines, social networks, mobile applications and other platforms to select and find products that they will buy online. According to digital marketing portal EMarketer.com, "frequency of Internet access increased significantly. The number of people going online every day increased by an estimated 3.5 million between 2014 and 2015, to 44.5 million people who surf the Internet daily. Mobile devices are possibly the biggest reason why Internet users in Germany are connected more often and spend more time online." (EMarketer, 2015).

Regarding the use of social networks, Germany is among the top countries in the world that use more social networks, since, according to the website Puro Marketing, Germany ranks in third place of countries with more social networking users, exceeded only by the US and China (Puro Marketing, 2011). A study by a research company specializing in Internet marketing called "ComScore" indicates that Facebook is the most used social network in Germany since 38.6 million Germans use this network (Schindler, 2013). Furthermore, according to a study by Pro Ecuador on Germany, it states that consumers say that "self-made websites are badly elaborated and show poor graphic interfaces" (Pro Ecuador, 2012). This is why Angara must have a website first level if Germany is the country selected for the Web promotion plan.

2.3.5 German Market Demand Profile

According to a study led by the Institute of Export Promotion and Investment (Pro Ecuador) "the size of the German market and purchasing power of its population makes it open to new suppliers and brands that offer a good product. The search for "Premium" products is one most important aspects when making a purchasing

decision, with a significant increase only in the highest economic segment” (Pro Ecuador, 2012).

One important factor, according to a study by The Department of Canadian Heritage-Trade Routes program, "argues that one of the successful strategies to market handicrafts abroad is networking because it happens to be the highly determining factor in the success of export handicrafts. The study details the connections made either locally, nationally or through international conferences or fairs, tourism, etc. They are an important way to make a product seen as something useful and it helps to build a reputation in a given market" (The Department of Canadian Heritage, 2005) taken from (Pro Ecuador, 2012).

This is very significant for Angara, since thanks to a visit from a German tourist some years ago, the company was able to sell its products to this person after the first sale, the buyer contacted Angara to open a market of Angara's products in Germany, specifically in Berlin. It is possible that the Company could work with this contact if it were to market its product in this country.

According Pro Ecuador, "there is another important niche in the field of accessories and goods for homes, which is the segment of the German population with a high net worth, where consumers are constantly interested in acquiring only high quality parts. The profit margin that can be perceived in this segment is much higher than in other niches" (Pro Ecuador, 2012). This is where Angara wants to target itself towards, because its products are not being mass produced and are made by craftsmen, their production costs are higher than those of industrial companies. This is why they want to target the niche with the highest purchasing power and also it "should take into account that the purchase decision is also influenced by the fact that they have reached social responsibility and have developed a product that meets the minimum standards for environmental protection" (Pro Ecuador, 2012).

Trends in Germany have changed, and consumers look for products with characteristics that give a product a distinct added value. According to a study carried out by the firm Fair Trade International, Germany is the "second country with the highest consumption of products labeled as “Fair trade”, coming in behind the United Kingdom, with sales that showed a growth of 23% when it exceeded 827 million euros," which means that the German expenditure on Fair Trade products

is approximately 10 euros per capita" (Central America Data, 2014). Pro Ecuador states that "current consumption trends in Germany consist of finding products that are useful, assessing the design and creativity of the artisan, and also the materials. The history of the products as well as traditional techniques used in their production are highly valued" (Pro Ecuador, 2012). These factors make Germany a very attractive market for Angara.

Figure 23: German Fair Trade Certificates



Source: Fair Trade Deutschland, 2016

2.4 Analysis of the United Kingdom

As was seen in the first chapter, the United Kingdom is the second top importer worldwide of the tariff subheading 6912000000 that represents "Tableware and other household goods, toilet articles, of ceramics other than porcelain". The United Kingdom represents a value of 184,440 thousands of US dollars in 2015 which represents 6.08% of imports of this subheading worldwide.

Table 14: United Kingdom imported value of subheading 6912000000

Note: Values in thousands of US dollars

Importers	Imported Value in 2011	Imported Value in 2012	Imported Value in 2013	Imported Value in 2014	Imported Value in 2015	Average Percent Decrease in this Period
United Kingdom	198,837	180,073	166,965	190,098	184,440	-1.45%

Source: Trade Map
Created by: David Pozo

It can be observed that the United Kingdom has had a downward trend of imports of subheading 6912000000. This is because in the years 2012 and 2013, a downward trend was maintained, although an increase occurs in the imported value in 2014. However during the period between 2011 and 2015 there has not been an increase in imported value, instead there has been a percentage decrease of -1.45% during this period.

Table 15: List of supplying markets for a product imported by United Kingdom

Note: Values in thousands of US dollars

Exporters	Imported Value in 2011	Imported Value in 2012	Imported Value in 2013	Imported Value in 2014	Imported Value in 2015	UK Share of imports (%) 2015
World	198837	180073	166965	190098	184440	100%
China	132454	130808	84485	110412	106782	57.90%
Thailand	14722	11441	12582	16865	15926	8.63%
Portugal	14862	9386	14841	14595	11668	6.33%
Romania	4277	3519	4262	4254	10055	5.45%
Germany	6699	3787	9030	10970	8808	4.78%
France	2448	3346	4953	6528	6536	3.54%
Indonesia	4326	3593	4078	3677	3682	2.00%
The Netherlands	1271	717	797	4834	2672	1.45%
United States	4094	2462	2615	3164	2085	1.13%
India	610	633	1127	2082	1891	1.03%

Source: Trade Map, 2016
Created by: David Pozo

Like in the other countries, China represents the main supplier for the United Kingdom and has a strong presence in the imports of subheading 6912000000, since China covers 57.90% of total United Kingdom imports. Therefore the trend applies in the same way as the other two countries.

2.4.1 Socioeconomic Aspects of the United Kingdom

According to the World Bank, the United Kingdom has a population of 64,088,222 million people, of which 83.8% reside in England, 8.4% in Scotland, 4.8% in Wales

and 3% in Northern Ireland." It is the third most populated country in the EU, coming in behind Germany and France, respectively (World Bank, 2015). It is worth mentioning that "the United Kingdom of Great Britain and Northern Ireland are located in the northwest of the European continent and consists of the Island of Great Britain and northeast of the island of Ireland, as well as several small islands. It is a unitary state consisting of four countries: England, Wales, Scotland and Northern Ireland" (Pro Ecuador, 2013).

According to the website Kwintessential, "Britain has become increasingly socially diverse as it has accommodated large immigrant populations, mainly from its former colonies, such as India, Pakistan and the West Indies. The mixture of ethnicities and cultures make it difficult to define 'Britishness' today" (Kwintessential, 2016).

The United Kingdom is one of the economically strongest countries in the world. In terms of its Gross Domestic Product (GDP), it has increased from 2,630.472 billion in 2012 to 3,003.328 billion in 2015 which means that there has been growth 1.15% in this period of time, according to the official website of the International Monetary Fund (International Monetary Fund, 2015). Furthermore, the Annual 2012/13 Report of Foreign Investment in the UK, published by UK Trade and Investment (UKTI) states that "The United Kingdom is one of the major trade centers in the world and Europe's number one destination for foreign investment" (UK government, 2013) cited from (Education UK, 2015).

On the other hand, its GDP per capita has also increased, because according to information from the CIA, in 2012 it was \$38,000, in 2013 it increased to \$39,000, in 2014 it was \$40,200 and finally in 2015 the figure was \$41,200. It can be concluded that the GDP per capita increased \$3200 dollars or 7.91% in that time period (Central Intelligence Agency). This means that nominal income has increased. As we saw in the first chapter, United Kingdom is the third country with the largest total expenditure of households with \$7,404 million on average from 2011 to 2015 in the "Furniture, household equipment and routine housing maintenance" category and specifically in the "Glassware, tableware and household utensils" subcategory, in which Angara's products are included.

2.4.2 Political Aspect

The United Kingdom is a parliamentary democracy with a constitutional monarchy. The King or Queen is the Head of State, being Queen Elizabeth II the current Head of State. The Prime Minister is the head of government. The current Prime Minister is Theresa May, elected in July after David Cameron resigned due to the victory of "Brexit" or the referendum of the exit of the United Kingdom from the European Union on June 23rd (Telesur, 2016).

Historically, diplomatic relations between the United Kingdom and Ecuador have generally been regular, although there was some conflict because of the asylum acclaimed to Julian Assange, who since 2012 has remained at the Embassy of Ecuador in London "to avoid his extradition to Sweden, which wants Assange to be given in because of his connection with a suspected sex crimes and possible extradition to the United States since his organization has released thousands of secret documents, including the US Pentagon secret files" (El Mercurio, 2016). As a result, there has been some diplomatic friction between the two governments on the issue of Assange. However, such diplomatic friction has not caused major conflicts or problems in trade.

In reference to trade issues, according to information taken from Pro Ecuador, "The general customs requirements in the United Kingdom, except for the requirements of minor procedure, are the same that exist for the rest of the European Union since the customs laws are fully harmonized. As part of the European Union, the tariff requirements in the UK are based on the harmonized tariff requirements of the European Union" (Pro Ecuador, 2013).

“Additionally, in the case of the Andean countries, among others, the European Union granted preferences under the special incentive arrangement for Sustainable Development and Governance or General System of Preferences Plus (GSP Plus). To access these preferences, one must submit an application for renewal that includes a report on compliance with human rights, environment and good governance” (Pro Ecuador, 2013)

2.4.3 Cultural Aspect

As far as the cultural aspect is concerned, "the British are quite disciplined and have good manners. They give crucial importance to the greeting in everyday life. It is, generally, a handshake, whether men or women, since kisses on the cheek only occur between very close people" (Universia, 2016). In addition, the British "give much value to time, so they only accept interviews by appointment to businesses in which they are really interested. It is also common that their interest is linked to short-term results, rather than seeking lasting relationships" (International Financial Analysts, 2015).

From another point of view, according to the website Kwintessential, "Britain has a strong sense of identity and nationalism felt by the population of the four nations of the United Kingdom, and the British are very reserved and private individuals. Privacy is extremely important and they very strict about protocol adherence" (Kwintessential, 2016).

2.4.4 Technological Aspect

According to the World Bank, the United Kingdom is one of the countries that uses the Internet the most, since 91,100 inhabitants use the Internet (World Bank, 2016). Further according to the website Internet World Stats, United Kingdom has 59,333,154 million people using internet, in other words, 91.6% of the total population (Internet World Stats, 2015). Studies by the National Statistical Office of the British Government indicate that the age range of 16-24 are 99% of Internet's users. While Internet use for people aged 75 or more is less common since nowadays only 33% are users, this percentage has been increasing since in 2013 it was only 29% "(Office for National Statistics, 2015).

Regarding the use of social networks, according to the Social Avocado website specializing in social networks, in the United Kingdom the most used social network is Facebook with 31 million users. This study further indicates that "the most popular age group is 25-34 years (26% of users)" (Social Avocado, 2016). As a result of the increase of Internet users and social networks, there is also an increase in online shopping or E-Commerce since, according to the website of the National Statistical Office of the British Government, online sales have increased from 375 million pounds in 2009 to 557 million pounds in 2013 (Office for National Statistics, 2015).

The United Kingdom is ranked as the best market for E-Commerce across Europe, and that "in 2014 the proportion of individuals in the United Kingdom who had made an online purchase in the last 12 months was 79%, which is a higher percentage than any another country of the European Union (EU). Other major EU economies reported lower percentages, such as Germany with 70%, France with 62% and Italy with only 22%" (Office for National Statistics, 2015). According to Trellis, a blog specialized in digital marketing, it places the UK as the third best e-commerce market behind China first and USA second. This ranking is done based on the total value of online sales (Bollinger, 2014). It is for this reason a 66.77% of the total UK population that is 41.4 million people making purchases online according to the website Europe E-Commerce (E-Commerce Europe, 2014). On the other hand, "93% of consumers use social networks regularly, of which 83% accessed via a mobile or tablet" (ICEX Spain Export and Investment, 2015). This is a very essential variable because Angara plans to use e-commerce as the primary tool to market their products so that in countries with a high percentage of e-commerce, it will be suitable to promote and market their products more effectively.

2.4.5 Demand profile of the UK market

According to the website of the Delegation of Ciudad Real in Spain, "the British consumer profile is essentially based on a consumer who is very informed and has high purchasing power. British people require the availability of a diversified range of products, of different types of quality, and varying prices of goods and services based on the needs of the different market segments. Consumers tend to be willing to buy products imported from different countries."

The British consumer profile has focused on products with social, environmental and fair trade awareness. For this reason, the study by Pro Ecuador states that "environmental and social requirements have become increasingly important in recent decades and are part of the regular requirements made by importers. Other importers that target niche markets, seek that products have certifications such as the Rainforest Alliance or Fairtrade" (Pro Ecuador, 2013).

Moreover, The Guardian, a British newspaper, states that "the UK is the largest international market for Fair Trade products with sales of 1.8 billion pounds" (Smithers, 2014). The United Kingdom is an extremely important worldwide Fair

Trade market. According to the Fair Trade Foundation, 78% of the UK population recognizes and knows what fair trade is about, which is extremely important for Angara since its goal is to reach a market where consumers know and value products with these types of certifications.

Figure 24: Fair Trade Certificates of the United Kingdom



Source: Fair Trade Foundation, 2016

Furthermore, in the area of plates and tableware, according to the website Mynewsdesk.com, there is a growing trend in which consumers prefer their tableware to be created by a designer that makes exclusive designs for the customer. The increase in popularity in the UK of television programs dedicated to events and dinner parties, such as the famous program called "Come Dine with Me," has created an opportunity to promote the sales of contemporary tableware and personalized items that make the consumer feel proud of their dishes" (My News Desk, 2013). This is very important since Angara offers a lot of customization options for its products and that can be made to suit the client's needs.

2.5 Analysis of relevant internal factors of the United States, United Kingdom and Germany

2.5.1 Relevant Internal Factors: Strengths

2.5.1.1 Population Size

The population variable is important as to be able to establish an international promotion strategy, since a market with a large population is an attractive market

to conduct business in. Therefore it is a variable to take into account, since a large population can be a great opportunity to position Angara in the target market.

As demonstrated in the first chapter, there is a defined population number within an age segment who could be potential buyers of tableware, starting with people who have recently been married and want to buy home goods for the first time. In this segment there are also people who are already economically established and would like to buy new dinnerware to renovate their kitchens. It is equally essential for Angara to gain a strong position in an attractive market in terms of the number of potential buyers.

Table 16: Population Size of the United States, Germany and the United Kingdom

Population Size			
Country	United States	Germany	United Kingdom
Population (number of inhabitants)	321,368,864	80,854,408	64,088,222

Source: World Bank, 2016
Created by: David Pozo

As can be observed, the United States is the country with the highest population, followed by Germany and the United Kingdom, respectively. It is important for this variable to be considered when designing a web positioning plan, since Angara has to reach a high number of people interested in its product to be able to be established in these markets.

2.5.1.2 Use of ICT

The use of information and communication technologies (ICT) is a significant aspect in the study when finding the best market for a product with the features that Angara's plates and tableware products have. This is due to the objective being to measure the effectiveness that an international web positioning campaign can have on social networks, since social networks to promote products and services can be used as a tool to effectively establish MSMEs brands.

As can be seen in the technological aspect of each country, they are markets that are highly developed technologically. As a result most of its inhabitants have

Internet access, tend to shop online, and use social networks, Facebook being the most used social network in all three markets.

Table 17: Percentage of population with Internet access in the United States, Germany and the United Kingdom

Percentage of population with Internet Access	
Country	Percentage
United States	87.4%
Germany	86.2%
United Kingdom	91.6%

Source: Internet World Stats, 2016
Created by: David Pozo

Table 18: Number of Facebook users in the United States, Germany and the United Kingdom

Number of Facebook Users		
Country	People (millions)	Percentage
United States	157	48.75%
Germany	38.6	47.65%
United Kingdom	31	48.43%

Source: Internet World Stats, 2016
Created by: David Pozo

Table 19: Number of online shoppers in the United States, Germany and the United Kingdom

Number of online shoppers		
Country	People (millions)	Percentage
United States	201	62.42%
Germany	48.5	58.87%
United Kingdom	41.4	66.77%

Source: Internet World Stats, 2016
Created by: David Pozo

It can be determined that each one of these countries has an interesting profile when it comes to the use of technology, specifically the use of the Internet, social networking and e-commerce, which are very important aspects for this study. Of the countries analyzed, it can be noted that the UK is the country with the highest percentage of Internet users, or in terms of population, this country has more people who have Internet access and use e-commerce in comparison to the other countries

analyzed. On the other hand, the United States has a greater number of Facebook users.

2.5.1.3 Pro Environment Trends

This variable is undoubtedly the most relevant in the search for the best market because as was determined, especially in the first chapter, the added value and nature of Angara's products are based on a socially responsible product that respects the environment, society and history. The use of an ancient technique, such as the "engobe" technique, and pre-Columbian designs make Angara products special plates that are completely handmade with materials that result in a product with a lot of added value.

The pro environmental trends go hand in hand with tendencies that focus on the respect and appreciation for the environment in which we live in, which also means an appreciation for manual labor. This benefits Angara due to its form of production, which proudly decorates its products using pre-Columbian culture symbols. Angara decorates using the pictorial language of the Andean worldview. Angara's philosophy is to keep including these characteristics into their products. It is for this reason that fair trade takes a lot of effort, since the analyzed markets are environmentally and socially aware, as could be seen in the consumer profile of each market. Gaining potential consumers who value products that have a manufacturing process that respects the environment and who appreciate handmade products is what makes these markets so attractive.

Taking into account the fair trade figures, it was observed in this chapter that there is an increasingly strong trend of consumers of these product in the analyzed markets. The consumer is increasingly concerned with the environment and society where he or she lives in. It was determined that of the three countries studied, the United Kingdom is the country with the highest consumption of fair trade products, followed by Germany and the United States.

Table 20: Sales of fair trade products in 2014 and per capita expenditure in the United States, Germany and the United Kingdom

Note: Values in millions of US dollars in exchange for 1 USD = 0,87Eur, 1USD = 0,69Gbp, 09/05/16, Central Bank of Ecuador

Sales of fair trade products		
Country	Fair trade sales in 2014	Per capita expenditure
United States	\$ 400	\$ 1,24
Germany	\$ 940,96	\$ 11,61
United Kingdom	\$ 2,593,00	\$ 40,51

Source: The Guardian, 2015
Created by: David Pozo

The table above indicates what was already mentioned, which is that there is a big difference in the total market sales of fair trade products between the analyzed countries. As can be seen, because of cultural themes and consumer profiles, European countries tend to consume more products related to environmental care and social responsibility than the United States does. This is the most important variable considered by Angara and in this assignment.

2.5.1.4 Expenditure and Consumption of Tableware

The spending and consumption characteristics of the markets analyzed are positive when making a promotional plan for a new enterprise, because as was seen in the first chapter, these are countries that occupy the top spots on imports of the ceramic tableware subheading.

Table 21: Main worldwide importers of subheading 6912000000

Note: Values in thousands of dollars USD

Importers	Imported Value in 2011	Imported Value in 2012	Imported Value in 2013	Imported Value in 2014	Imported Value in 2015	Percentual Value
World	2,980,367	2,958,223	2,961,896	3,258,072	3,032,119	100%
United States of America	866,068	840,209	910,483	934,011	1,012,983	33.41%
United Kingdom	198,837	180,073	166,965	190,098	184,440	6.08%
Germany	164,890	164,881	150,107	169,614	169,678	5.60%

Source: Trade Map, 2016
Created by: David Pozo

As can be observed, the US is the market that imports the most since it has a large population and a high purchasing power. The second top importer is the United Kingdom followed by Germany. The three countries are major consumers of household goods, specifically in the subcategory "glassware, tableware and household utensils," as can be seen below.

Table 22: Total spending of households and final expenditure per capita in the subcategory: glassware, tableware and household utensils in the United States, the United Kingdom and Germany

Note: Values in thousands of dollars USD

Total spending of households and final expenditure per capita		
Category: Furnishings, household equipment and routine maintenance of the house		
Subcategory: Glassware, tableware and household utensils		
Country	Year 2015	Per capita expenditure
United States	\$ 51.423	\$ 156.85
United Kingdom	\$ 7.951	\$ 124.37
Germany	\$ 9.876	\$ 122.14

Source: Organization for Economic Cooperation, 2016
Created by: David Pozo

In the table above, that the final expenditure of households and final expenditure per capita in the category: Furniture and household equipment and in the subcategory: Glassware, tableware and household utensils can be observed. It is evident that the United States is the country with the highest expenditure per household within this subcategory, due to the large number of people and households it has, followed by Germany, and the United Kingdom which is the country with the lowest population of the three countries. That is why the per capita consumption is an indicator that allows for greater objectivity when analyzing. This indicator shows that the US continues to lead the per capita spending, followed by the UK in second place and Germany ranks in third since its per capita spending total is less.

2.5.1.5 Other Attractive Factors

As previously determined, Angara's products can be classified under tariff heading 691200 which representing "tableware and other household goods, toilet articles, of ceramics other than porcelain." In the United States, there is a more specific tariff subheading in which Angara's products can be classified into which is 6912000000. According to Pro Ecuador, it has a double applicability, the first one for the MFN (Most Favoured Nation), which is useful when the product is shipped without certification of origin and it has a 0.70% tariff. On the other hand, the special rate for Ecuador is the 0% tariff that applies to products that are traded with a certification of origin.

Figure 25: Analysis of tariff heading 691200 for the US market

CONTINENT: AMERICA		APPLIES: <input type="checkbox"/> DOES NOT APPLY: <input type="checkbox"/>	
COUNTRY: THE UNITED STATES			
SUGGESTED TARIFF HEADINGS	DESCRIPTION	TARIFF REGIME	APPLIED TARIFF
6912.00.00.00 (without C/O)	Ceramic tableware, kitchenware, other household articles and toilet articles, other than of porcelain or china (except bath tubs, bidets, sinks, sinks and similar sanitary fixtures; statuettes and other decorating objects; Pots, jars and similar containers used to carry or package items; Coffee and spice grinders with ceramic containers and metal parts)	MFN duties (Applied)	0.70%
6912.00.00.00 (with C/O)	Ceramic tableware, kitchenware, other household articles and toilet articles, other than of porcelain or china (except bath tubs, bidets, sinks, sinks and similar sanitary fixtures; statuettes and other decorating objects; Pots, jars and similar containers used to carry or package items; Coffee and spice grinders with ceramic containers and metal parts)	Preferential tariff for Ecuador	0%

Tariffs applied by **The United States of America**.
Product: **691200-Ceramic tableware, kitchenware, other household articles and toilet articles, other than of porcelain or china**.
Partner: **Ecuador**
Source: **ITC (MAcMap)**
Year: **2014**
Nomenclature: **HS Rev.2012**
EAV methodology: **EAV based on the world's tariff profiles (WFP)**

Source: Pro Ecuador (interview with Antonio De La Roche)

The same applies to Germany and the United Kingdom, where there is a specific subheading (6912001011) in which products Angara could be classified into and according to Pro Ecuador it also has a double applicability. The first is the MFN (Most Favored Nation), which applies when the product is shipped without certification of origin and it has a tariff of 5%. On the other hand, the special rate for Ecuador is the 0% tariff that applies to products that are traded with a certification of origin.

Figure 26: Analysis of tariff heading 691200 for the UK and German markets

CONTINENT: EUROPE		APPLIES: <input type="checkbox"/> DOES NOT APPLY: <input type="checkbox"/>	
COUNTRY: GERMANY AND THE UNITED KINGDOM			
SUGGESTED TARIFF HEADINGS	DESCRIPTION	TARIFF REGIME	APPLIED TARIFF
6912.00.10.11 (without C/O)	Tableware, kitchenware, other household articles and toilet articles, of base metal (except statuettes and other decorating objects, jars, bottles, and similar containers used to carry or package items, and coffee and spice grinders with with ceramic containers and metal parts), hand-made tableware and kitchenware, other than knives, condiments or spices: mills and their ceramic grinders, peelers, ceramic knife sharpening machines, pizza-stones oused for cooking pizza or bread.	MFN duties (Applied)	5.00%
6912.00.10.11 (with C/O)	Tableware, kitchenware, other household articles and toilet articles, of base metal (except statuettes and other decorating objects, jars, bottles, and similar containers used to carry or package items, and coffee and spice grinders with with ceramic containers and metal parts), hand-made tableware and kitchenware, other than knives, condiments or spices: mills and their ceramic grinders, peelers, ceramic knife sharpening machines, pizza-stones oused for cooking pizza or bread.	Preferenti al tariff for Ecuador	0%
6912.00.50.10 (without C/O)	Tableware, kitchenware, other household articles and toilet articles, of porcelain or china (except bath tubs, bidets, sinks, sinks and similar sanitary fixtures; statuettes and other decorating objects; Pots, jars and similar containers used to carry or package items; Coffee and spice grinders with ceramic containers and metal parts) hand-made tableware and kitchenware, other than knives, condiments or spices: mills and their ceramic grinders, peelers, ceramic knife sharpening machines, pizza-stones oused for cooking pizza or bread.	MFN duties (Applied)	5.00%
6912.00.50.10 (with C/O)	Tableware, kitchenware, other household articles and toilet articles, of porcelain or china (except bath tubs, bidets, sinks, sinks and similar sanitary fixtures; statuettes and other decorating objects; Pots, jars and similar containers used to carry or package items; Coffee and spice grinders with ceramic containers and metal parts) hand-made tableware and kitchenware, other than knives, condiments or spices: mills and their ceramic grinders, peelers, ceramic knife sharpening machines, pizza-stones oused for cooking pizza or bread.	Preferenti al tariff for Ecuador	0%

Tariffs applied by **The United States of America**.
Product: **691200-Ceramic tableware, kitchenware, other household articles and toilet articles, other than of porcelain or china**.
Partner: **Ecuador**
Source: **ITC (MacMap)**
Year: **2014**
Nomenclature: **HS Rev.2012**
EAV methodology: **EAV based on the world's tariff profiles (WFP)**

Source: Pro Ecuador (interview with Antonio De La Roche)

As can be seen, the tariff issue is an attractive factor for the markets analyzed, with the advantage that the three countries have favorable mechanisms that allow Angara's products to reach those destinations with zero tariffs by presenting a certificate of origin in all three cases.

Promotion is also an important factor when choosing a target specific market, particularly in the case of the United States and the United Kingdom. According to the portal Tableware International, world fairs are one of the most important events that exist for these types of articles and it indicates that in the US and the UK there are 14 key fairs for the segment of tableware and decoration of homes, while in Germany there are only 3 significant events of this type (Tableware International,

2016). Fairs and events like these are useful tools that can be used by Angara to promote themselves in a new market. It is for this reason that this is an important factor when deciding which will be their target market.

2.5.2 Relevant Internal Factors: Weaknesses

2.5.2.1 Logistics and transit time

The issue of transportation becomes a weakness when selling ceramics abroad because these products are heavy and fragile, which is why the people in charge of the shipping and handling must be very careful. Angara can use two modes of transport, maritime and air. In the specific case of the United States, which is closer when compared with Europe, costs and transit time are lower in both modes of transportation. A benefit of air shipments is that there are direct flights to cities like Miami, New York, Atlanta, Dallas and Houston. This is an advantage compared to other destinations, since nowadays in Ecuador there are only two direct flights to Europe, these destinations being Madrid and Amsterdam, according to the Quito International Airport website.

The United States benefits from the logistical factor, in comparison to Europe as mentioned before. According to a cost quotation by DHL, a parcel delivery company, it indicates that both costs and transit times are lower for United States than for Europe. The following is a cost quotation example for dishes and a tea set sent to the United States, Germany and the United Kingdom.

Table 23: Comparing DHL shipping prices to the United States, Germany and the United Kingdom

Comparing DHL shipping prices				
Product	Weight	United States	Germany	United Kingdom
Dinnerware	17.5 kg.	\$ 295.48	\$ 352.25	\$ 352.25
Tea sets	2.5 kg.	\$ 69.66	\$ 76.94	\$ 76.94

Source: DHL Ecuador (information obtained from Carolina González)
Created by: David Pozo

Table 24: Comparison of DHL transit time to the United States, Germany and the United Kingdom

Comparison of DHL transit time	
Destination	Days
United States	2-3 days
Germany	4-5 days
United Kingdom	4-5 days

Source: DHL Ecuador (information obtained from Carolina González)
Created by: David Pozo

It is evident that since shipping costs are higher in Europe than in the United States, it makes the product more expensive, and therefore it is a very important factor to consider. The logistics issue is a major threat to the company Angara in relation to the three markets, since the distance of Germany and the United Kingdom is greater than that of the United States. Also, since Angara's ceramic products are heavy and fragile, the logistics process becomes a risk and it is a threat when being transported to any destination. In the following table, the access of Ecuador towards the selected markets by sea can be observed, thanks to information obtained from the logistic profiles of Germany, the United States and the United Kingdom, developed by Pro Ecuador.

Table 25: Comparison of the transit time by sea to the United States, Germany and the United Kingdom

Comparison of the transit time by sea	
Destination	Days
United States	8-12 days
Germany	25 days
United Kingdom	25 days

Source: Pro Ecuador, 2013 (Logistic profile US, Germany, UK)
Created by: David Pozo

2.5.2.2 Recognizable Consumer Brand Trends

Brand awareness is a major weakness facing Angara in selected markets, especially in Europe, since according to a study by CBI Market Information Database, it indicates that knowledge about brands "in ceramic and porcelain is generally higher than in other segments, mainly due to the marketing efforts of the manufacturers of these sectors" (CBI Market Information Database, 2007).

Additionally, competition is also a very important factor within this variable. As noted in this chapter, the three markets analyzed are mostly provided by China, the US being the largest buyer of this business partner with a percentage of 78.86% shares of total imports of this country makes, followed by the UK with 57.90% and Germany with 39.45%. It is evident that in both the United States and United Kingdom, this Asian country has a stake greater than 50% of total imports of the subheading 6912000000, reflecting the power that the Chinese tableware industry has, which is a constant threat and weakness for a new brand such as Angara.

2.5.2.3 Low export levels of tableware

The low level of Ecuadorian participation of subheading 6912000000 is a weakness, because there are few values exported to the United States and Germany and there have not been any exports shipped to the United Kingdom.

2.5.2.4 Negotiation language

Language represents a threat to Angara in the analyzed markets because it is complicated for the company to propose an international campaign in a language that is not their native tongue. It is even more complicated in the case of the German language, since it is not as commonly used as English which makes this variable is a weakness when choosing a target market.

2.5.2.5 Other profile weaknesses

According to a report by the Centre for Promotion of Imports in Developing Countries, CBI for its acronym in English, Germany is the leading producer of dishes within Europe, followed by the UK (Centre for the Promotion of Imports from Developing Countries, 2014). This is a direct threat to Angara, because the European markets analyzed are strong producers of plates and this can be harmful for gaining entry into these markets. In addition, the United Kingdom, Germany and the United States are countries which are also found in top positions in the exports of tariff heading 691200.

The following table shows the position in which the analyzed markets are found in and their position in reference to other countries worldwide, together with their percentage share in trading the tariff heading previously mentioned.

Table 26: List of exporting countries of tariff heading 691200 in 2015

Note: Values in thousands of US dollars

List of exporting countries of tariff heading 691200 in 2015			
Exporters	Trade Indicators		
	Exported value in 2015	Trade balance in 2015	Participation in world exports
World	1752372	-1279765	100%
China	418646	402132	23.9%
Portugal	155871	148386	8.9%
United Kingdom	148631	-35809	8.5%
Thailand	126026	117050	7.2%
Germany	98861	-70817	5.6%
United States	79488	-933495	4.5%

Source: Trade Map, 2015
Created by: David Pozo

As shown in the table, the three markets being analyzed are also top exporters of dinnerware, indicating that they are also producers of these products as was mentioned above. UK ranks in third place and has a 8.5% share in world exports, followed by Germany which is in fifth place with a 5.6% share and finally the United States ranks in sixth with a share of 4.5%. However, it is important to mention is that the three markets analyzed have negative trade balances with this item, which means that they import more than they export, especially the United States, followed by Germany and the United Kingdom.

2.6 Market Analysis

After a thorough analysis which has considered both quantitative and qualitative factors, it can be concluded that the three countries are markets with high purchasing power, and are attractive markets for the possible internationalization of SMEs. However, there are specific characteristics that each market have that make these more interesting, especially the European countries because it can be said that Angara's products are more compatible to the European profile, especially in the United Kingdom. This is mainly because European countries possess qualities that are most suitable for a product with the particularities of Angara's items.

Fair trade is more accepted in Europe than in the United States. This is mainly due to policies that are developed from the most important European organizations, through agreements and laws that encourage fair trade. Recently "Fairtrade

International has been chosen as one of the strategic partners of the European Commission to help deliver a better deal for small farmers and workers around the world, Fair Trade can be a real engine to help the EU and we understand that sustainable production and sustainable consumption go hand in hand" (Fair Trade Foundation, 2016).

However, for a correct analysis of the markets studied, in the next section a balanced rating of internal factors (strengths and weaknesses) of the three countries analyzed will be made in order to identify who represents a better opportunity. The Web positioning plan through Facebook will be applied in the determined market.

Two main criteria will be used to obtain a balanced score based on 10 points. The first criterion represents the perceived relevance of the web positioning plan compared against the domestic factors in each country. The score based on a total of 100% is shown in the table below.

Table 27: Relevance of internal factors

Relevance of internal factors	
Opportunities	Relevance weighting according to the promotional plan
1. Population Size	8%
2. Use of ICT's	15%
3. Pro environmental trends	22%
4. Consumption and expenditure of tableware	12%
5. Other attractive factors	10%
Threats	
1. Logistics and transit time	8%
2. Consumption trend of recognized brands	6%
3. Low levels of tableware exportation	4%
4. Language negotiation	5%
5. Other weak factors	10%
Total	100%

Created: David Pozo

The second criterion for the balanced score refers to how important the internal factor is, it being a strength or weakness for each of the profiles. The rating is based on a maximum of 10 according to the following factors.

Table 28: Qualification criteria of internal factors (according to the score of each country)

Qualification criteria of internal factors (according to the score of each country)	
Strengths	Value /10
Low	.1-3
Medium	.4-6
High	.7-8
Very high	.9-10
Weaknesses	
Low	.9-10
Medium	.7-8
High	.4-6
Very high	.1-3

Created by: David Pozo

Finally, a balanced score is made of each of the countries analyzed by multiplying and studying the rating of each one. The sum of the strengths and weaknesses equal a value of 10. The country with the highest score is the most viable destination for the development of the international Web positioning plan.

Table 29: Comparative table of the United States, Germany and the United Kingdom

Weighted score matrix	United States				Germany				United Kingdom			
Strengths	Weighting	Score	Equivalence	Weighted score	Weighting	Score	Equivalence	Weighted score	Weighting	Score	Equivalence	Weighted score
1. Population Size	8%	10	Very High	0.8	8%	9	Very High	0.72	8%	8	High	0.6
2. Use of ICT's	15%	9	Very High	1.35	15%	9	Very High	1.35	15%	10	Very High	1.5
3. Pro environmental trends	22%	5	Medium	1.1	22%	9	Very High	1.98	22%	10	Very High	2.2
4. Consumption and expenditure of tableware	12%	10	Very High	1.2	12%	8	High	0.96	12%	9	Very High	1.08
5. Other attractive factors	10%	6	Medium	0.6	10%	8	High	0.8	10%	7	High	0.7
Weaknesses												
1. Logistics and transit time	8%	6	High	0.48	8%	3	Very High	0.24	8%	2	Very High	0.24
2. Consumption trend of recognized brands	6%	7	Medium	0.42	6%	6	High	0.36	6%	4	High	0.24
3. Low levels of tableware exportation	4%	4	High	0.16	4%	3	Very High	0.12	4%	1	Very High	0.04
4. Language negotiation	5%	7	Medium	0.35	5%	4	High	0.2	5%	6	High	0.3
5. Other weak factors	10%	4	High	0.4	10%	5	High	0.5	10%	5	High	0.5
Total	100%			6.86	100%			7.23	100%			7.4

Created by: David Pozo

Considering the score of the three countries, the United States scored 6.86, Germany scored 7.23 and the United Kingdom scored 7.4. This means that the United Kingdom is the country that represents greater opportunities. While Germany is a country with similar characteristics in terms of analysis for this type of product, it has not yet reached the levels that the UK has on the use of ICT and environmental trends since the UK is the leader of these two factors. The United States represents a very large consumer market, yet it does not have a green responsibility as does the United Kingdom and Germany, making it the country with the least opportunities for Angara. Therefore the establishment of Angara's promotion plan in an international market will be carried out in the United Kingdom.

To further demonstrate what was analyzed through a market survey applied to each country, Mr. Juan Carlos Solano was interviewed since he knows a lot about this subject.

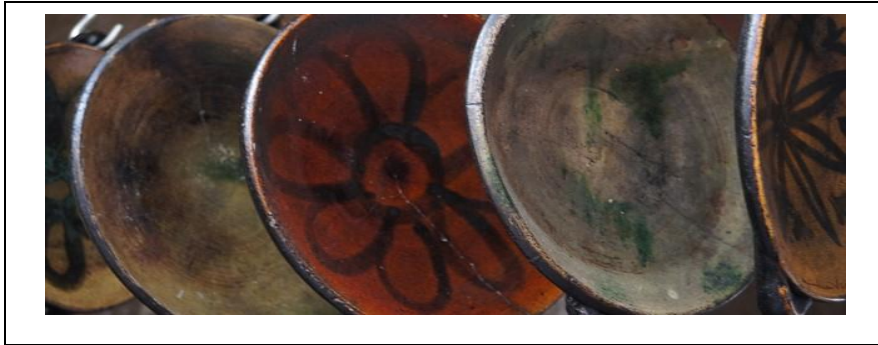
2.7 Interview with: Juan Carlos Solano, manager-owner restaurant Tiestos

In an interview with Juan Carlos Solano, Tiestos restaurant owner, important research information was obtained. Solano indicates that his restaurant was founded with the idea of rescuing the culture, tradition and flavors of our region. During the 7 years that the restaurant has worked, it has gained much interest and prestige thanks to its peculiar characteristic which is the cooking and serving of the food in "tiestos" (clay plates). Cooking this way gives food a special flavor, says Solano.

Additionally, the owner said it was a way to rescue and highlight our culture because in ancient times all containers and pots were made of clay. This is why many domestic and foreign tourists visit the restaurant to taste the food and learn a little more about cooking in "tiestos". Juan Carlos mentioned that currently the restaurant has an established brand and that many foreigners visit his restaurant, especially Europeans, who are most interested in knowing more about this cooking process, the ingredients used and especially the meaning and use of the "tiestos". According to Solano, Americans who visit the restaurant are more interested in eating, which means that they do not have any interest in learning about the preparation methods or the use of the "tiestos", very contrary to what happens with European customers.

Juan Carlos even notes that many foreigners go to his restaurant thanks to other tourists who recommended the restaurant in their countries of origin, indicating that Tiestos has positioned itself as a brand that offers both a culinary and a cultural experience. Thanks to this it has captured the interest of native and foreign customers who visit it each week.

Figure 27: Tiestos used in the restaurant



Source: Tiestos, 2016

Figure 28: Cooking in Tiestos



Source: Tiestos, 2016

2.8 Conclusions

In this chapter, a market research was developed, considering both quantitative and qualitative data that can be useful for the selection of the target market in which Angara will conduct an international Web positioning campaign. It started with an analysis of political, economic, social and technological variables of each country. After, the consumer profiles of each market was investigated in order to be able to identify potential stakeholders that are best suited to the characteristics Angara's products. Then, an analysis using a comparative matrix of internal and external factors was carried out that may result as strengths or weaknesses for the company in these markets. Finally, through an interview with Juan Carlos Solano, owner of Tiestos Restaurant, valuable information regarding the behavior of people interested in handmade utilitarian pottery was obtained. This brought Angara to the conclusion that although the three countries are attractive for these types of products, because they are countries with high purchasing power, with good sized markets, have access to internet, social networks and make purchases through this mechanism, it is considered that the United Kingdom is the best rated market in which the Facebook campaign will be applied for three months.

CHAPTER 3: INTERNATIONAL WEB POSITIONING OF THE “ANGARA” COMPANY

3.1 Introduction

The constant revolution of technology allows there to be a constant update of information from anywhere in the world at all times. Thanks to the use of information and communication technologies (ICT), "the way business are managed and how companies compete have changed. An organization's natural boundaries increasingly expand more and more and the telecommunications infrastructure is vital in this process. As a result, a new business model arises based on the trade of goods and/or services through electronic media" (Cohen & Asin, 2009, p. 42)

When referring to ICT, it is important to mention its definition which, "are the processes and products derived from new technologies (hardware, software and communication channels) related to storage, processing and digitized transmission, allowing the acquisition, production, processing, communication and presentation of information in the form of voice, images and data" (Andrada, 2010, p. 9).

Consequently, "the money invested in marketing and advertising is shifting from traditional media to online media and their huge audiences, resulting in significant growth in marketing search engines, targeted display advertising and online video ads" (Laudon & Traver, 2013, p. 7).

3.2 Online Social Networks

A key part of the information and communication technologies (ICT) are the digital social networks which are defined as "areas in which people who share common ties with each other interact, given that social networks have had a profound effect on how businesses operate and on how they communicate and serve their customers, the most visible use that social networking has for businesses is as a marketing and brand tool" (Laudon & Traver, 2013, p. 707).

It is for this reason that the company Angara has decided to carry out an international Web positioning campaign on digital social networks, primarily on Facebook, because social networks, which are digital communities, are an excellent way to create brand awareness from anywhere in the world without making large

advertising expenses. Also, advertising campaigns can be created with small budgets as will be seen below.

3.3 Facebook

Facebook is a social network founded in 2004, which, according to its website, defines itself as "a social utility that helps people communicate more efficiently with their friends, family and coworkers. The company develops technologies that facilitate the exchange of information through the social graph, the digital mapping of the connections that exist between people in the real world" (Facebook, 2016).

This social network has the most users worldwide, according to a report by the "World Economic Forum" which indicates that if Facebook were a country, its population would be greater than China. The size of the user base of Facebook is about 1.65 billion people. "The role of digital technology leads to the breakdown of physical borders and as a media tool it continues to open new opportunities for companies and societies" (Taylor, 2016).

3.3.1 Facebook Ads

Facebook is an important platform for Internet advertising due to its large number of users and as was presented in the second chapter, it is the most popular social network in the United Kingdom, which is the target market where Angara will carry out its international web positioning plan. In addition, "Facebook is revolutionizing marketing, not only because of the size of its audience, but also because of the robotic engineering behind its operations that carries out analytical and intelligent marketing. For example, it is now possible to know, without costly market research, which countries have the largest number of young people between 18 and 35, their tastes and preferences "(Web Intelligence, 2016) are.

Among the biggest advantages of using Facebook ads is the cost because it allows the advertiser to invest the amount desired, and gives the option of editing the ads and canceling the advertising at any time. On the other hand, with Facebook ads information can be obtained about ad performance, how many people viewed the ad, the viewer's place of origin, fan page visits, etc. In this way, companies have a certain amount of control, which improves the way companies reach consumers and how they do business with people who like the page (Facebook, 2016).

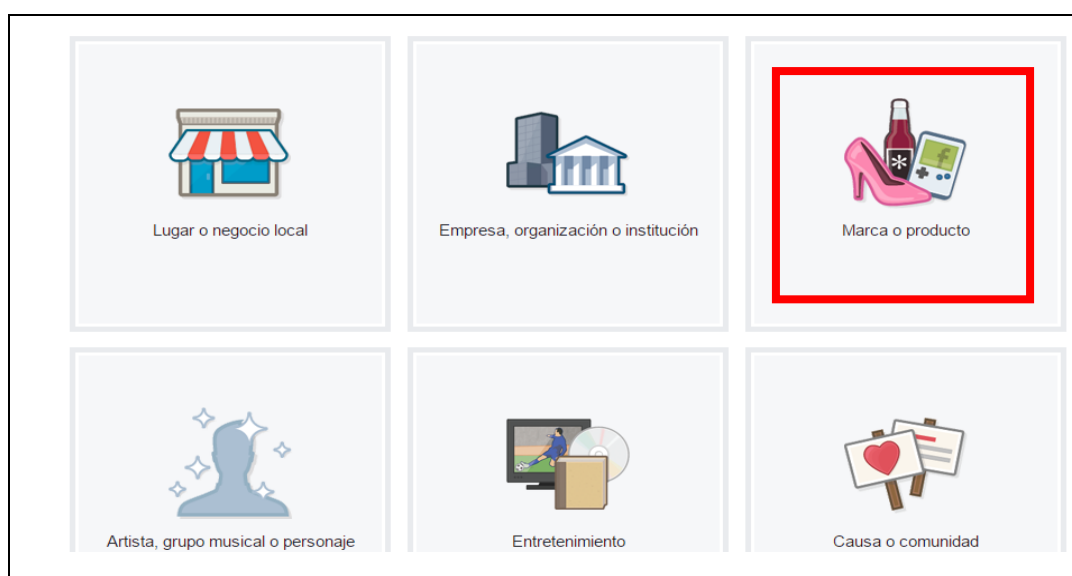
3.4 Implementation of the international web positioning plan through Facebook

As discussed in this chapter, Facebook represents the most used social network both globally and in the United Kingdom. Additionally, due to its great relevance, it was decided that Angara's international web positioning plan will use this social network in order to be able to position their brand in that market.

The company Angara already had a Facebook page which is currently directed towards the local market. However, because the target market selected is the United Kingdom, a Facebook page completely in English was created to begin with the positioning advertising in this market.

For the creation of Angara's Facebook page, the category of "brand or product" was selected, as shown below in the picture below.

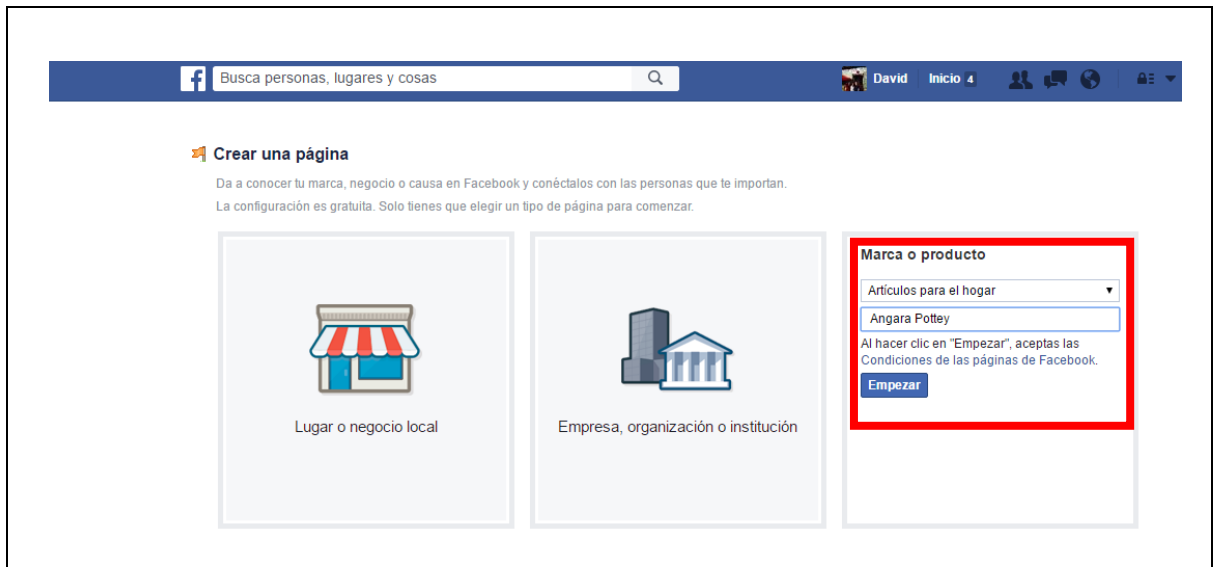
Figure 29: Category selection on Facebook



Source: Facebook, 2016

Once the category is selected, the next step is to select the sub category, which in this case "household items" was selected because Angara produces household items, then the name "Angara Pottery" was chosen.

Figure 30: Selecting the sub category and company name on Facebook



Source: Facebook, 2016

After, the company information will be described, especially its activity and what it makes in order for people to better understand what Angara is about.

Figure 31: Completing information about the company activity on Facebook



Source: Facebook, 2016

In order for the page to look better and to make it particularly attractive a picture should be selected, which can be the logo or a product of the company that will capture the attention of the public.

Figure 32: Selecting a profile picture for Angara's Facebook profile



Source: Facebook, 2016

Once the Company information is completed, Angara's Facebook page is ready, as can be viewed below.

Figure 33: Angara Pottery's Facebook page



Source: Facebook, 2016

After creating the Facebook page, the next step was to create the campaign for the positioning of the company in the United Kingdom. As a result of Angara wanting to promote their Facebook page, the "Promote your page" must be selected.

Figure 34: Selecting the Target of the Facebook Campaign

The screenshot shows the Facebook campaign selection process. On the left is a sidebar with three main sections: 'CAMPAÑA' (with 'Objetivo' selected), 'CUENTA PUBLICITARIA' (with 'Crear cuenta publicitaria'), and 'CONJUNTO DE ANUNCIOS' (with 'Página', 'Público', 'Ubicaciones', and 'Presupuesto y calendario'). The main area is titled 'CAMPAÑA: Elige tu objetivo' and contains the instruction 'Elige un objetivo de marketing para la campaña'. It features three columns of options: 'Reconocimiento' (Mejora el reconocimiento de tu marca o negocio, Promocionar tus publicaciones, Promocionar tu página), 'Consideración' (Encuentra a clientes potenciales para tu negocio, Atraer personas a tu sitio web, Aumentar las instalaciones de tu aplicación, Aumentar el número de asistentes a tu evento, Aumentar las reproducciones de video), and 'Conversión' (Aumenta las conversiones o las ventas de tu empresa, Aumentar las conversiones en tu sitio web, Incrementar la interacción con tu aplicación, Lograr que las personas soliciten tu oferta). A 'Reportar un problema' link is at the bottom right.

Source: Facebook, 2016

Once the campaign target is selected, account information of the person administering the Facebook page must be completed.

Figure 35: Creating a Facebook advertising account

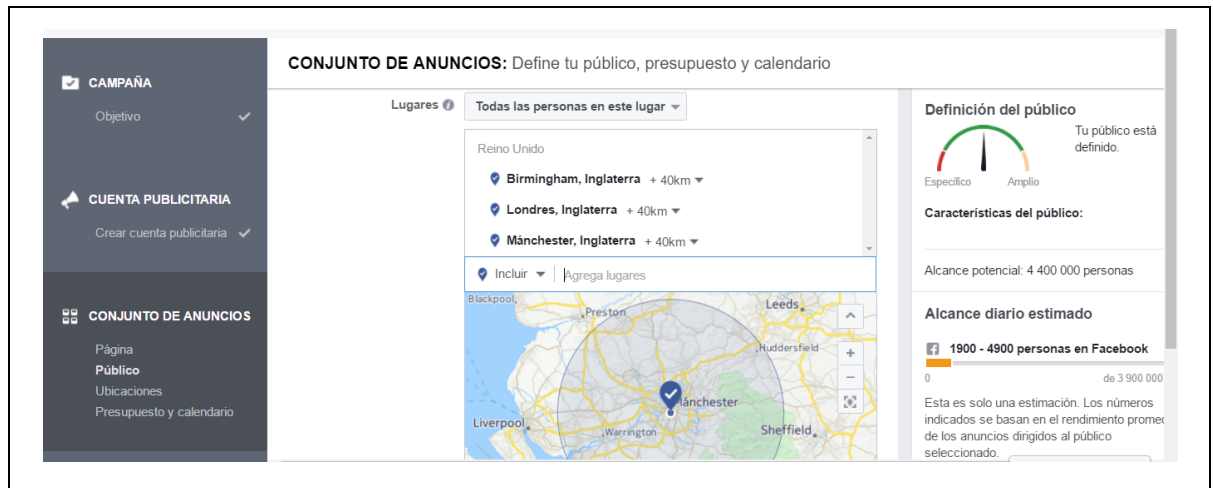
The screenshot shows the 'CUENTA PUBLICITARIA: Crea tu cuenta publicitaria' form. The left sidebar is identical to Figure 34, with 'Objetivo' checked under 'CAMPAÑA'. The main area is titled 'Cuenta' and asks to 'Escribir la información de tu cuenta'. It includes fields for 'País de la cuenta' (Ecuador), 'Divisa' (Dólares estadouni...), and 'Zona horaria' (America/Guayaquil). Below these are 'HORA UTC' (04/06/2016 20:26) and 'HORA LOCAL' (04/06/2016 13:26). A 'Mostrar opciones avanzadas' link is at the bottom. A 'Reportar un problema' link is at the bottom right.

Source: Facebook, 2016

After, the ads must be segmented. In this section there are several features that allow ads to be correctly segmented so that they reach the desired audience.

London, Birmingham and Manchester were selected as the target cities because they are the most populated cities in the UK, according to the National Bureau of Statistics of the United Kingdom (Office for National Statistics, 2016).

Figure 36: Definition of the target audience (demographics) on Facebook



Source: Facebook, 2016

Additionally, in reference to the demographic segmentation, Facebook allows the option of a detailed segmentation, which includes keywords, plus tastes and preferences of users. Here, the product features are very important since Angara produces, as described in the previous chapters, an exclusive, personalized product that has added value because it is handmade and can even be considered a craft. This is why the "characteristics" chosen will help to better segment the audience of the product.

Figure 37: Definition of the target audience (tastes and preferences) on Facebook



Source: Facebook, 2016

Figure 38: Definition of the interest segment on Facebook

Source: Facebook, 2016

Among the products' characteristics, the "interest" chosen included pottery, fair trade, dishes, organic products, sustainable products, handmade products and other features, in order for ads to show up on the Facebook of people who follow pages containing this type if selected elements.

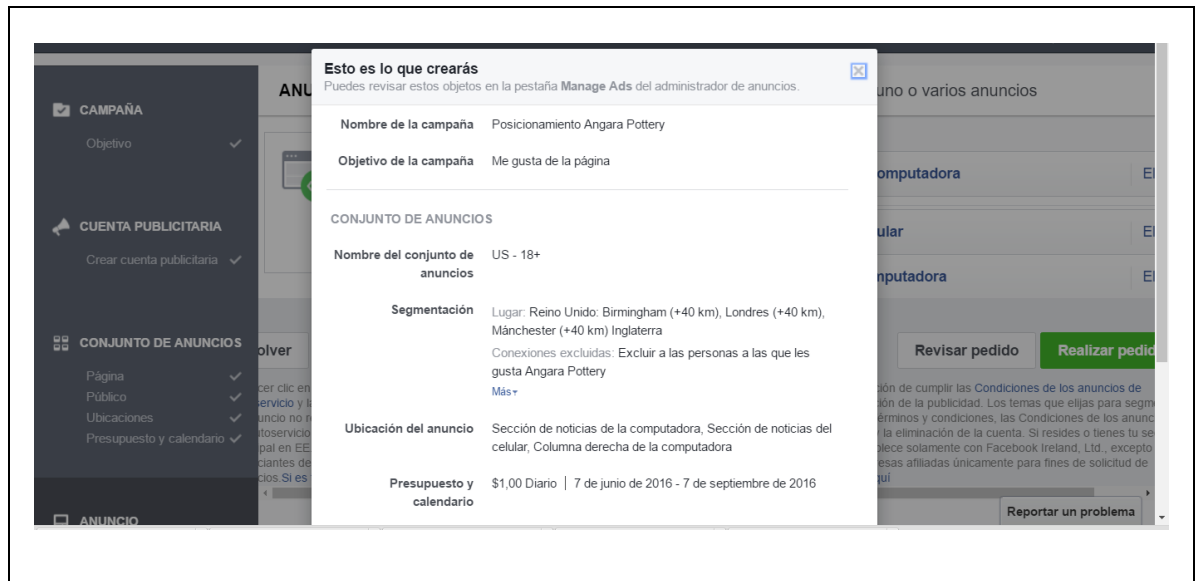
After defining the target audience, the budget and schedule of the Facebook campaign must be selected. The company will select the budget of \$1 per day for a period of three months from June 7th, 2016 to September 7th of the same year. This means that the ads will cost a total of \$91.94.

Figure 39: Defining the budget and schedule for the Facebook campaign

Source: Facebook, 2016

After selecting the budget and schedule a picture of the ad is displayed.

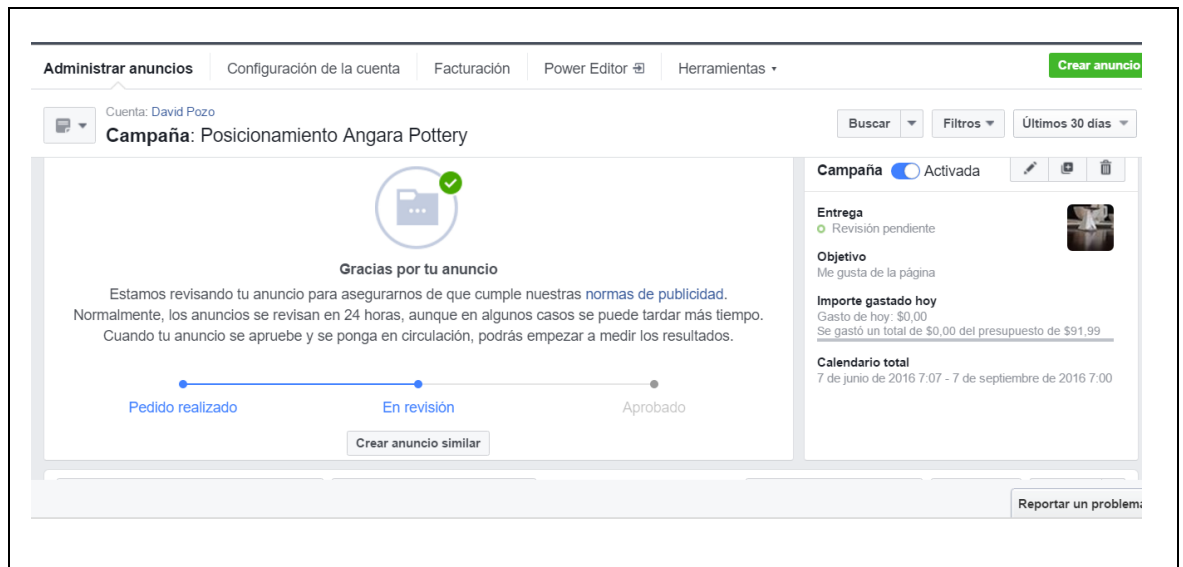
Figure 40: Preview of the characteristics of the selected audience on Facebook



Source: Facebook, 2016

After, the ad goes through a filter in which it is reviewed by Facebook so that there are no problems regarding the platform advertising rules.

Figure 41: Preview of Angara's Facebook advertising campaign



Source: Facebook, 2016

Finally, Facebook gives the option to preview the ad created for the selected segment.

Figure 42: Preview of the Facebook Ad created



Source: Facebook

3.5 Campaign results

Once the ad was shared, the campaign was tracked in order to measure its monthly performance. The main points studied in the monthly analysis were the scope of the campaign, the amount spent, the demographic data and mainly the number of people who gave a "like" to the page, since obtaining "likes" is considered as the most important objective of the campaign.

3.5.1 First month: June 7th- July 7th

The following results were obtained in the first month of the campaign.

Table 30: General results of the first month

Results of the first month (June 7th - July 7th)					
Fan page likes		People reached		Amount Spent	
25		987		\$ 30.58	
Age segment		Age segment		Age segment	
25-34	8	25-34	451	25-34	\$ 12.67
35-44	11	35-44	323	35-44	\$ 11.12
45-54	6	45-54	213	45-54	\$ 6.79
Total	25	Total	987	Total	\$ 30.58

Source: Facebook, 2016
Created by: David Pozo

As can be seen in the table, during the first month of results show that 25 people likes the page, 987 people saw the ad, and a total of \$30.58 were spent.

Figure 43: Demographic Performance of the first month



Source: Facebook, 2016

The campaign's objective was for Angara's Facebook page to get the most amount of "likes" possible. In this section, the age segments were analyzed according to the performance data of the first month. It was calculated that each like obtained cost a total of \$1.22. According to demographics, the age segment that gave more likes to the page was the 35 to 44 year-old segment with 11 likes and a total of viewed the ad for an overall cost of \$11.12 or \$1.01 each like. The second best age segment was 45 to 54 year-olds, since the announcement was seen by 213 people and it obtained 6 likes, at an overall cost of \$6.79 dollars or \$1.13 per like. Finally, the last segment were the 25 to 34 year-olds with 451 people who viewed the page and 8 people who liked the page, for an overall cost of \$12.67 and a fee of \$1.58 per like. Although the 25 to 34 year-olds scored a higher number of likes and was

viewed by more people of this segment, the cost per like was higher than that of the 45 to 54 year-olds, which had less likes but was viewed by more people of this segment. This means that the performance of the 45 to 54 year-olds segment was the most effective.

3.5.2 Second month: July 8th-August 7th

The following results were obtained in the second month of the campaign.

Table 31: General results of the second month

Results of the second month (July 8th - August 7th)					
Fan page likes		People reached		Amount Spent	
28		1231		\$ 31.00	
Age segment		Age segment		Age segment	
25-34	7	25-34	524	25-34	\$ 11.33
35-44	9	35-44	405	35-44	\$ 11.49
45-54	12	45-54	302	45-54	\$ 8.18
Total	28	Total	1231	Total	\$ 31.00

Source: Facebook, 2016
Created by: David Pozo

In the second month the number of likes increased to a total of 28 likes, and also the total number of people who viewed the page increased to 1231 people and the amount spent was \$31.

Figure 44: Demographic Performance of the second month



Source: Facebook, 2016

The results of the second month show that each like cost \$1.11. In reference to the analysis of the demographics by age segment, the segment with the best performance was the 45 to 54 year-olds with 12 likes and 302 people who saw the ad, coming in at an overall cost of \$8.18 and \$0.68 per like. In second place was the age segment of the 35 to 44 year-olds since the ad was seen by 405 people and had 9 people in this age group liked the page, which means its overall cost was \$11.49 and each like cost \$1.28. Out of the 25 to 34 year-olds, 524 people viewed the ad and 7 people liked the page; its overall cost was \$11.33 and each like cost \$1.62. This makes this last segment the category with the worst performance since people in this age group viewed the ad the most but gave less likes.

3.5.3 Third month: August 8th-September 7th

In the third month of the campaign, the following results were obtained.

Table 32: General results of the third month

Results of the third month (August 8th - September 7th)					
Fan page likes		People reached		Amount Spent	
19		1467		\$ 30.36	
Age segment		Age segment		Age segment	
25-34	9	25-34	750	25-34	\$ 14.74
35-44	5	35-44	432	35-44	\$ 9.78
45-54	5	45-54	285	45-54	\$ 5.84
Total	19	Total	1467	Total	\$ 30.36

Source: Facebook, 2016
Created by: David Pozo

In the third month, it is observed that the number of likes decreased compared to previous months since there were a total of 19 likes, but the number of people who viewed the ad increased to 1467 and the amount spent was \$30.36.

Figure 45: Demographic Performance of the third month



Source: Facebook, 2016

The performance of the third month shows that each like cost a total of \$1.60, making this the month with the worst performance compared to previous months because it got less likes. Additionally, the demographics age segment that gave most likes to the Facebook page was the 45 to 54 year-olds with 5 likes and 285 people who saw the ad, with an overall cost of \$5.84 and \$1.17 per like. The second best segment were the 25 to 34 year-olds, since the ad was seen by 750 people and had 9 likes, at an overall cost of \$14.74 and \$1.64 per like. Lastly, put of the 35 to 44 year-olds segment, the page reached 432 people and 5 people gave a like on the page, at an overall cost of \$9.78 and \$1.96 per like. As a result, this segment reached a greater number of people but it had the same amount of likes as the 45 to 54 year-olds, making it the worst performing age group.

3.6 Campaign Results

The last step consists of a comprehensive report of the Facebook positioning campaign of the company Angara, which is made up of the data recollected during the three-month campaign.

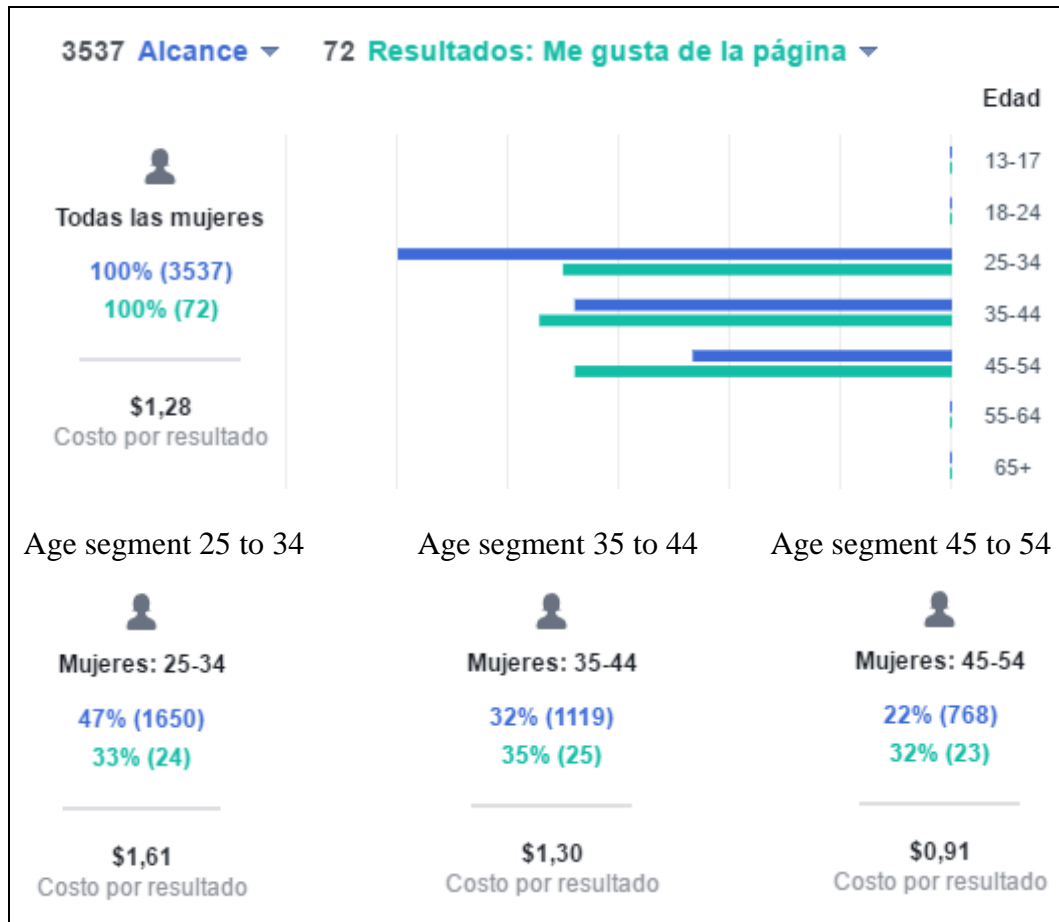
Table 33: General results of the campaign

General results of the campaign					
Fan page likes		People reached		Amount Spent	
72		3537		\$ 91.94	
Age segment		Age segment		Age segment	
25-34	24	25-34	1651	25-34	\$ 38.69
35-44	25	35-44	1118	35-44	\$ 32.43
45-54	23	45-54	768	45-54	\$ 20.82
Total	72	Total	3537	Total	\$ 91.94

Source: Facebook, 2016
Created by: David Pozo

During entire campaign it can be observed that the total number of likes obtained was 72, the total number of people who viewed the page was 3537 and the total amount spent was \$91.94.

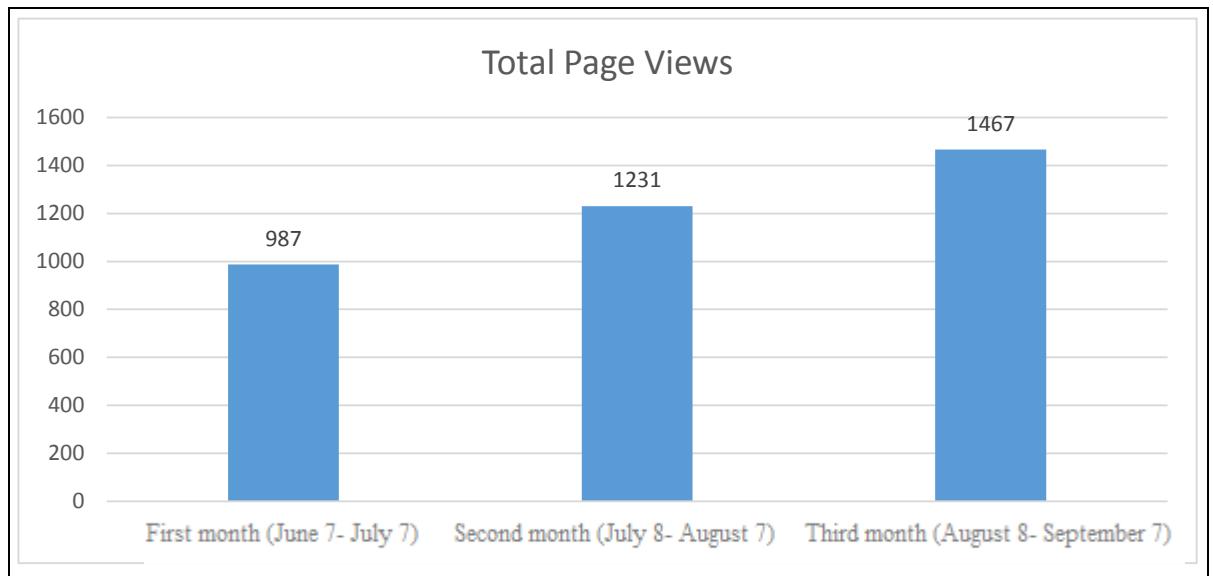
Figure 46: Demographic Performance of the entire campaign



Source: Facebook, 2016

From the results it can be concluded that the cost per like during the entire campaign was \$1.28. By analyzing the demographic data it is evident that the age segment that gave more likes to the page were the 45 to 54 year-olds with 23 likes and 768 people who saw the ad, totaling an overall cost of \$20.82 and \$0.91 for each like. The second best segment were the 35 to 44 year-olds since the ad was seen by 1119 people and got 25 likes, which totaled an overall cost of \$32.43 and \$1.30 for each like. The segment that came in last place was the segment of the 25 to 34 year-olds with 1650 persons who viewed the page and 24 people who liked the page, totaling an overall cost of \$38.69 and each like cost \$1.61. This segment came in last place because although it was the age group that mostly viewed the page, this segment gave less likes than the 35 to 44 year-olds, and only a little higher than the 45-54 year old age group but with more viewers of the page, making it the worst performing category.

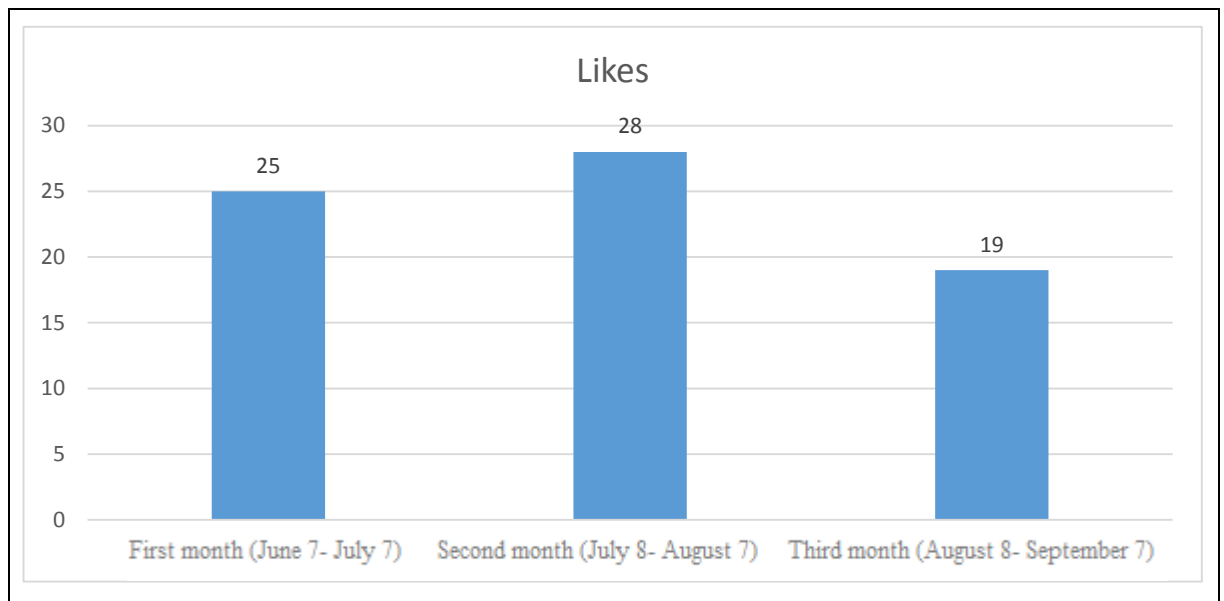
Figure 47: General comparative performance of the amount of times the page was viewed



Source: Facebook, 2016
Created by: David Pozo

As can be seen, during the first month the page had the least views since only 987 people saw the page, followed by the second month with 1231 people and the third month with 1467 people. This is mainly due to two reasons. The first reason is because as Angara's Facebook page gained more followers, consequently the number of page viewers increased and the second reason is because in the last month, Angara shared the contents of its Facebook page in buying and selling groups on Facebook in the UK. These groups allowed users to buy, sell and exchange goods and services such as "London Sell buy Trade" groups and "Handcrafters UK". This was carried out with the aim of seeking more page viewers and followers. However, when analyzing the number of people reached and the likes gained, it was determined that sharing information of the company were not so effective in gaining likes, since within these groups a wide variety of items are sold, from clothes to cell phones and even cars, houses and professional services. Therefore, while the number of viewers increased, the number of likes obtained did not, as can be seen in the chart below.

Figure 48: Comparison of the general results of the likes obtained



Source: Facebook, 2016
Created by: David Pozo

In the chart it can be observed that the month in which more likes were obtained was the second one with 28 likes, followed by the first month with 25 likes, and finally the third month with 19 likes. The reason for this is because in both the first and second month, Angara's Facebook page shared more information. In the first month 10 stories were shared and in the second month, 12 stories were shared, in comparison to the third month in which only 4 stories were shared specifically in the buying and selling Facebook groups previously mentioned. This explains why in the third month more people viewed the page and its stories but it was not as effective in gaining likes for Angara's Facebook page.

3.7 Conclusions

In this chapter the international Web positioning campaign for the company Angara is carried out through the social network Facebook. The development of the campaign is explained step by step, from creating a Facebook business page to selecting the market segment of the ads, which was chosen in the previous chapter in order to be able to start the campaign. Consecutively, the results are analyzed on a monthly basis considering the most important variables and the main objective. Finally the results are evaluated and it was concluded that a Facebook campaign is a good choice for a SME so that it can establish and promote their products in foreign markets. Moreover, social networks are useful to measure results effectively

in order to be able to make changes or breaks at any time during the campaign process.

The evaluation of the demographic results was important for the company because according to the prior market study, women between 25-54 years of age was chosen as the best segment. However, according to the second chapter's market study, thanks to the analysis tools of results from Facebook it was found that within this segment, the most convenient age group where people 45 to 54 years old were the ones that performed better because their acceptance with the campaign, which means that Angara has greater opportunities with this market segment.

FINAL CONCLUSIONS AND RECOMMENDATIONS

After completing the plan Web positioning plan using Facebook, it can be concluded that information and communication technologies are effective and useful tools to promote a brand, product or service in a market abroad. The creation of business pages on social networks, and more specifically on Facebook, requires that small and medium enterprises possess basic knowledge, moderate investment and resources that are easy to access.

Due to Angara's nature as a small ceramic workshop, it has a limited production capacity. What makes this product special is the fact that it is a handmade craft, which is the main feature that the owners want to keep in order for their products to always be full of detail. This is why the company did not have any direct experience with foreign trade, only indirectly through the foundation MCCH Maquita Cushunchic marketed as Brothers, as previously mentioned.

Taking advantage of the added value Angara's products have, the company searched for a niche market of exclusive character of people who appreciates and values their work as much as possible. This is why it was decided to highlight the products unique characteristics when targeting tastes and preferences directed towards a segment of people that meet these conditions.

Through this assignment, the ceramic workshop Angara found that their products were welcomed in UK because its Facebook page had 72 followers at the end of the campaign. Also, the fan page's publications gained organic results, which are not paid for and begin to operate once the Facebook page has a certain number of followers.

While the Facebook campaign did not generate any direct sales for the company, as the aim of the campaign was to establish the company on Facebook, the campaign was able to reach this goal because there was a direct approach between its products and people of a market that at first seemed so far away and unattainable. Thus, this campaign helped the company reach a specific niche and it gained positive results on a shoestring budget, which is one of the great advantages of advertising on social networks.

From my perspective, I recommend that Ecuadorian SMEs should train and use information and communication technologies (ICT), considering them as their great allies to offer products and services to several countries in the world because of the features they offer. It is very important that these small and medium companies begin to modernize and opt to have a webpage, either by using search engine optimization tools, affiliate marketing, pay per click or social networks.

In the case of the ceramic craft workshop Angara, I strongly recommend that it should invest in a bilingual web page that includes an online shopping option. This means that through E-Commerce the company can directly market their products. Additionally, I believe that Angara should carry out a professional photo shoot because their products are aesthetically appealing and this would help appreciate this characteristic. I also suggest that the company attend international fairs, especially in Europe, so it can find a commercial partner for the distribution of its products in the old continent, and thus have an exhibition space in another country.

As was observed, an E-marketing campaign can be used as an effective method for companies that wish to position and promote their products. For maximum effectiveness, it is necessary to have a good web positioning strategy that defines the path and goals that a company wants to reach. There are several practical, simple and inexpensive tools within the digital marketing world that anyone can use and that can help a business obtain favorable results.

Finally, the Internet is a world of possibilities for those who are willing to explore it. For this reason, I urge businesses, especially craft and small companies, to innovate at the same rate as technology and they should use the tools and techniques that information and communication technologies offer, which in many cases are free of charge and in other cases have a small cost.

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