



University of Azuay

Faculty of Legal Sciences

School of International Studies

"Analysis of the B2C e-commerce model implemented by Colineal Corp. CIA Ltda., 2016-2017 periods"

**Graduation work prior to obtaining a Bachelor's Degree on
International studies, Bilingual Mention in Foreign Trade**

Author: María Paula Delgado Gárate

Director: Ing. María Inés Acosta Urigüen

Cuenca, Ecuador

2018

DEDICATION

This work is dedicated to the Creator, since from Him comes all knowledge, intelligence and wisdom. Thank God that He has given me a purpose on this Earth and that from His hand I could reach this goal. Also, I want to dedicate this work and thank the most important people in my life, my parents, for their love, patience and unconditional support. Thanks to them for teaching me principles, values and the importance of education. To my siblings Karen and Juan Andrés for always being there, their support is essential in my life, their smiles, hugs and advice have motivated me to move forward.

ACKNOWLEDGMENTS

I want to thank my thesis director, Engineer María Inés Acosta, for her time, selfless work and unconditional support in the preparation of the thesis. I am very grateful for having had the privilege of being her student, for her continual guidance, and willingness to impart her knowledge in the classroom.

At the same time and in a very special way I would like to express my thanks to Engineer Roberto Maldonado, e-commerce Manager of the company Colineal Corp. I appreciate his opening from the first moment, his time and help so that I could carry out this work.

INDEX OF CONTENTS

Abstract	vii
Introduction	1
CHAPTER 1: ELECTRONIC COMMERCE.....	2
Introduction	2
1. Definition.....	3
1.1. Background of Electronic Commerce.....	4
1.2. Current situation and future projections	4
1.3. Classification	7
1.4. Characteristics of B2C e-commerce	8
1.5. Advantages and disadvantages of the B2C model.....	8
1.6. B2C Stages.....	10
1.7. Situation of Electronic Commerce in Ecuador	12
1.7.2. Development of electronic commerce in the country	13
1.8. Context at the local level: City of Cuenca	16
CHAPTER 2: MODEL IMPLEMENTED BY THE COMPANY	19
Introduction	19
2. General aspects of the company	20
2.1. Historical review.....	20
2.2. Colineal Corporate Group.....	21
2.3. Strategic plan	22
2.4. Value chain activities.....	24
2.5. Sales channels.....	24
2.6. Implementation of the Business to consumer model	25
2.7. The purchase process through the online store.....	26
2.8. Online sales periods 2016-2017.....	34

CHAPTER 3: ANALYSIS OF THE IMPLEMENTED MODEL.....	38
3.1. Performance evaluation of the online store	39
3.1.1. Traffic	39
3.1.2. Performance.....	42
3.2. Perception of clients through surveys.....	44
3.3. Analysis of the Business to Consumer model of Colineal Corp	52
Conclusions	54
Recommendations	56
Bibliography.....	62

Graphic index

Graph No. 1 Use of electronic commerce worldwide	6
Graph No. 2 Stages for the implementation of e-commerce.....	10
Graph No. 3 Activities on the internet.....	13
Graph No. 4 Businesses that receive purchase orders over the internet.....	14
Graph No. 5 Purchase categories in Ecuador.....	15
Graph No. 6 Organizational structure company Colineal Corp.....	23
Graph No. 7 Activities of the Colineal Corp. value chain.....	24
Graph No. 8 Colineal online store catalog screenshot.....	27
Graph No. 9 Screenshot product detail.....	28
Graph No. 10 Screenshot Shopping cart.....	28
Graph No. 11 Screenshot record create account.....	29
Graph No. 12 Billing screen capture.....	30
Graph No. 13 Screenshot of online payment options.....	31
Gráfico No. 14 Screenshot paid through DATAFAST.....	31

Gráfico No. 15 Online sales October- December.....	35
Gráfico No. 16 Web advertising sale Colineal	36
Gráfico No. 17 Online sales year 2017.....	37
Gráfico No. 18 Forms of entry to the website of Colineal.....	40
Gráfico No. 19 Web sales by categories.....	43
Gráfico No. 20 Online shopping experience.....	47
Gráfico No. 21 Details of the products.....	47
Gráfico No. 22 Knowledge terms and conditions.....	48
Gráfico No. 23 Online chat utility web page.....	49
Gráfico No. 24 Speed and ease web page.....	49
Gráfico No. 25 Order on time.....	50
Gráfico No. 26 Sufficiente payment methods.....	50
Gráfico No. 27 Product satisfaction.....	51
Gráfico No. 28 Reoffending purchase.....	52

Table Index

Table No. 1 Sales for the fourth quarter of 2016.....	34
Table No. 2 Online sales 2017.....	35
Table No. 3 Social networks used by Colineal and its content	41

Index of Annexes

Annex No. 1 Terms and conditions of the online store of Colineal Corp.....	57
Annex No. 2 Web sales by category of the year 2017.....	59
Annex No. 3 Number of transactions per city.....	59
Annex No. 4 Web sales per day / month (2017) Colineal.....	60
Annex No. 5 Interview with the e-commerce Manager Colineal.....	61

Abstract

This paper will analyze the B2C e-commerce model (business to consumer), implemented by the company Colineal Corp. Through this analysis it will be possible to determine the level achieved, discover improvement tools and necessary decisions, so that this sales method can continue in development. Currently, electronic commerce has been incorporated by businesses and companies as an effective sales channel and even with greater advantages than the traditional one. However, being a widely developed modality in Ecuador as in the city of Cuenca, it is still in an initial phase of e-commerce development.

Venturing into electronic commerce not only involves creating the online store but also establishing effective payment methods, an appropriate platform for navigation, a catalog of products, establishing delivery and return policies. Above all efficiency in delivery. Likewise, once implemented it is necessary to evaluate periodically for a continuous improvement that gives better results in the online sales, which allows to identify satisfaction, needs, requirements by the clients. Regarding the company, this analysis will allow Colineal to adjust and establish policies for a continuous improvement in the B2C e-commerce model.

Introduction

Due to globalization, the internet and the use of New Information and Communication Technologies (ICT) have changed the way people acquire goods and services, which is why electronic commerce has been incorporated as a new way of selling by companies and businesses. The first chapter of this work will begin by defining what electronic commerce is, it will mention its background, development and impact nowadays.

At the same time, this paper will mention the classification of e-commerce. Since companies, whether they are small, medium or large, should identify the e-commerce model they wish to implement to achieve effectiveness in commercial relationships made online. For this research, emphasis will be placed on the analysis of the Business to consumer model (B2C). It will describe its characteristics, stages and advantages. Throughout the work, it will mention the current situation of electronic commerce in Ecuador and the world, and its projections for the future

Also, the subject will be analyzed in terms of the local scope taking as a reference a large company which has ventured into this type of sale. The second chapter will refer to the company Colineal Corp. CIA Ltda. This company is recognized nationally and internationally for the marketing and manufacture of furniture. Since 2016 Colineal has implemented online sales through its website to market its products. The investigation will analyze the development and implementation of the B2C model carried out by the company to determine its status. Jointly, it will analyze the online sales registered since its execution in the periods 2016-2017 to know how much and in what percentage it has been sold.

In the last chapter, through surveys applied to Colineal's clients, it will be possible to determine their perception of the e-commerce model implemented by the company. Knowing their opinion will help determine the effectiveness of this sales method and the possible improvement tools to continue developing. It is necessary to emphasize that the analysis of the model carried out by the company will serve as a reference for other businesses that wish to venture into electronic commerce using the B2C business model as a marketing channel.

CHAPTER 1: ELECTRONIC COMMERCE

Introduction

Companies seeking to expand their businesses have found and taken advantage of the opportunities offered by both the internet and the web to conduct negotiations through electronic commerce. This modality has led companies to update their businesses, incorporating online sales to market their goods and services. At the same time, consumers have been closed to this modality since they can buy from the place they are, without being limited to geographical borders, they also consider it easier and more comfortable. Although, nowadays, companies can expand their market using e-commerce, it is not a sales channel being used in its entirety, since there is still ignorance about this modality. This chapter will refer to the different concepts in relation to electronic commerce, so that the reader can understand what it consists of. It will also mention its different types of business models and their characteristics.

Also, we will talk about the advantages and disadvantages of this sales channel compared to the traditional one, since deciding properly depends on the success of the internet business. At the same time, the subject will be approached in relation to the global situation, in order to know what is the level of development reached by different countries. Based on this, the situation of electronic commerce in Ecuador will be analyzed, also mentioning the normative part that currently governs the country, since it is essential that the State has legal tools that allow the use of electronic services and that provide security both consumers and companies that provide this online sales service, promoting commercial transactions through electronic commerce.

At the end of this chapter, emphasis will be placed on the current situation of electronic commerce in the city of Cuenca, mentioning those companies that are venturing into this type of sale, which have seen a business opportunity compared to the traditional modality in order to give a better service to users, obtain greater profits, internationalize, among other benefits that will be indicated in this first chapter.

1. Definition

Electronic commerce or known worldwide as e-commerce, consists of "any form of commercial transaction, that is to say, the purchase and sale of goods or services, where the parties interact electronically without the need for physical contact." (León, 1998). Likewise, according to Davara, it is defined separately from commerce and the electronic. He states that "in a broad sense, any activity that has the object or purpose of conducting a commercial operation and that is electronic when that trade is carried out using the electronic tool in a way that has or could have some influence on the consequence of the commercial purpose, with the result of the activity that is developing "(Davara, 2001)

According to the Organization for Economic Cooperation and Development, e-commerce consists in the purchase or sale of goods and services that is carried out through the different computer networks. Also, the Commission of European Communities defines it as any commercial transaction that is made electronically between companies, consumers or administrations among themselves to conduct business using different electronic means.

In the same way, Mario de la Gaza defines it as the set of operations that both companies, users, organizations and governments carry out online through virtual stores or electronic portals. Although, there is a variety of definitions in terms of electronic commerce these coincide with each other stating that it deals with the transactions made through the internet and the different electronic media without the physical existence of the parties at the time of purchase.

Electronic commerce, like traditional commerce, encompasses the process of production, marketing and distribution of products or services. Electronic commerce has been possible thanks to the advancement of technology, the internet and computer tools. This causes a change in business relationships between companies and consumers when purchasing goods and services. Currently it is different from the traditional way.

E-commerce presents an advantage over traditional because this business model breaks geographical barriers, time and distance, allowing greater accessibility to users. The WTO through the second Ministerial Conference held in 1998 states that

electronic commerce creates new opportunities for trade at the national and international level.

1.1. Background of Electronic Commerce

Over time, electronic commerce has evolved. Its first signs were in the United States in 1920 when catalog sales appear. This modality revolutionized because for the first-time people buy products without seeing them physically. However, in 1960 it is when the Electronic Data Interchange (EDI) system appeared, which consisted in the transmission of documents through closed networks, allowing companies to exchange data electronically. This system replaced the sending of documents by fax and mail because the transactions are made from one computer to another.

Subsequently, in 1969, e-commerce began to revolutionize and became consolidated with the arrival of the internet and the World Wide Web or also known as www. This became a popular means of communication and information. Even more open than radio and television because it is an accessible system through the Internet. This allows you to easily navigate and acquire a large amount of information.

Electronic commerce between companies in 1982 and 1990 through the Internet and EDI achieved great openness. However, it was not yet developed between the companies and the final consumer. So that in 1995, the member countries of the G7 / G8 have the initiative to promote the use of electronic commerce among companies and their consumers around the world through the incorporation of small and medium enterprises (SMEs). From this initiative the e-commerce between companies and consumers begins to develop.

At the end of the 90's the internet has reached an exponential development as well as the electronic commerce between companies and consumers (B2C). It is in this period that the web portals destined to carry out commercial activities with final consumers were created. For example, the Amazon company that in its beginnings was an internet library. It is currently considered the largest online store in the world.

1.2. Current situation and future projections

Currently, the internet and new technologies play a significant role in the lives of users locally and globally. The internet has achieved a change in business relations between companies and consumers when purchasing goods and services. Companies

have shrewdly taken advantage of the opportunities offered by the internet and electronic media to achieve their business objectives. As a result, commercial transactions are carried out through electronic means and commerce is developed worldwide under this new purchase modality.

Years ago, only a small part of users and companies made transactions online since this method assumes greater insecurities when making the payment. For users, the traditional way of acquiring goods or services presents fewer risks than doing it online. However, at present, electronic commerce has achieved greater openness worldwide and a remarkable growth in both commercial websites and in the number of users.

E-commerce has become an effective means of conducting negotiations. However, its evolution has required over time to overcome certain barriers such as logistical, technical and insecurity. Recently, logistics aspects in countries like the United States were a problem for the development of e-commerce. Several companies failed to timely distribute their products and even had to compensate their customers. (Iacobucci, 2014).

Despite the aforementioned, e-commerce in 2017 registered approximately 1,600 million users around the world who made purchases through the Internet and by the year 2020 the figure is expected to double. (Latamclik, 2018). Also, according to the Third Logistics Forum for Foreign Trade, it is expected that by 2020, electronic commerce between different countries will reach 900,000 million dollars.

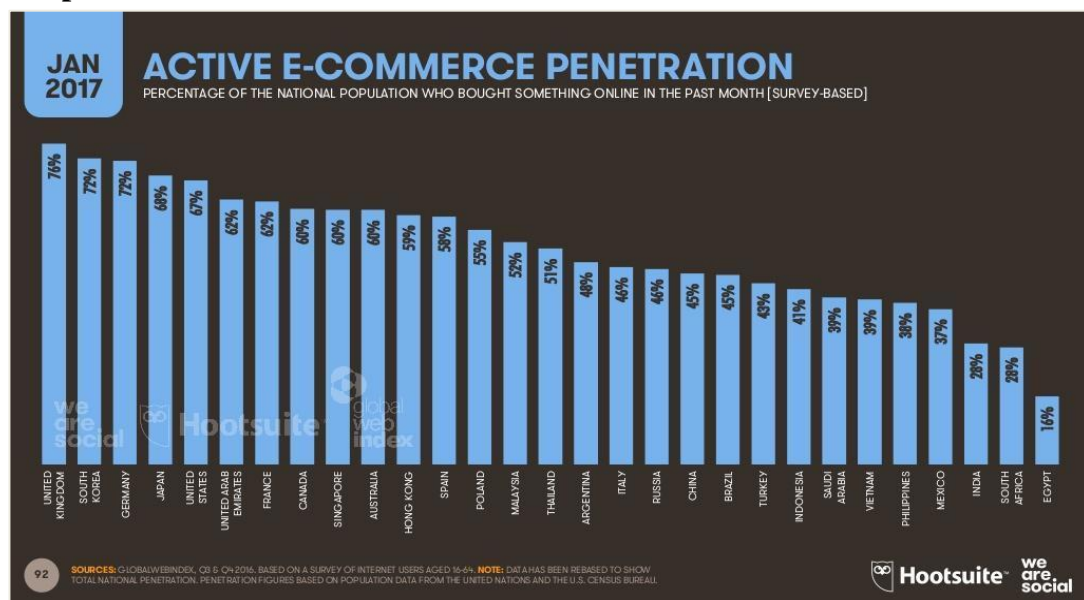
In connection to the frequency of use of electronic commerce in 2017, around 22% of the world's users made commercial transactions through mobile devices, according to the Global in 2017 report on digital trends. (Hootsuite, 2018). Regarding the scope and development of e-commerce, it is determined that it is unequal in the different countries of the world.

Despite the fact that North America, European and Asian countries have been pioneers in entering this new trend e-commerce is still in the process of maturity. However, its growth has stopped in comparison to countries like India, Thailand and Indonesia. In Spain, 58% of the population manages their transactions through

electronic commerce. However, its growth compared to the previous year only reached 1% more.

The countries that use the most e-commerce are the United Kingdom, Germany, Japan, South Korea and the United States. Generally, the countries with the highest percentage of population that use e-commerce are the United Kingdom with 76%, South Korea 72%, Japan 68% and the United States 67% and the country with the lowest percentage in relation to its activity of online shopping is Egypt with 16%. As the next chart shows:

Graph No. 1 Use of electronic commerce worldwide



Source: (Hootsuite, 2018)

As for the Latin American countries, electronic commerce has presented a sustained and accelerated growth in recent years, with an important volume of business in this sector. The main countries in the region that buy online are Brazil, Chile, Peru and Mexico. Eight out of ten Latin American consumers research and purchase products online on a weekly basis. (Vega, 2018). In addition, total revenues through the B2C model since 2003 have doubled and have exceeded in 2012 sales of 45,000 million dollars.

According to market analysts, the projections regarding online purchases are promising as it is estimated that it will maintain the growth levels of recent years. In addition, millions of new users will use this method of purchase to find better offers. With respect to the analyzed data in the international arena, it can be determined that

the situation worldwide is promising and it is estimated that a greater percentage of people use this modality online purchase to acquire products and services. However, to enjoy the benefits of electronic commerce, different companies worldwide should take marketing actions by integrating electronic media as these are a fundamental part for the development of e-commerce as payment by mobile phones.

1.3.Classification

At the time of entering electronic commerce, it is essential to know and distinguish the type of model to be used, as this will allow designing the appropriate strategies to consolidate a business under the modality of e-commerce as the platform, the recipient and object. Although there are different business models, these are differentiated and classified by the nature of their transactions. Consequently, the main ones will be detailed and emphasis will be placed on the B2C business model (business to consumer), which will be useful to understand for the development of this work.

- **Business to business (B2B):** It consists in commercial transactions of goods and services that takes place between two companies that operate through the internet. These companies seek to reduce costs between them in the buying and selling process. It is generally done between wholesaler and retailer. An example of this e-commerce model is the American company that makes cars, Ford Motor, which through parts.ford.com sells parts for vehicles.
- **Business to consumer (B2C):** It is the trade that takes place between a company and a consumer. This model consists of the strategies developed by different companies or businesses to reach the final consumer directly. This type of business has grown in recent years and created more opportunities for consumers, who can buy their products online and without having to go to physical stores. Example: Amazon, a US company, a world leader in electronic commerce and a pioneer in the sale of different goods through the internet.
- **Consumer to Consumer (C2C):** This type of electronic commerce refers to the transactions of purchase and sale between consumers. It works as an online auction, where portals or internet platforms serve as facilitators, so they can contact each other. For example, Mercado Libre is a platform that allows users to

buy and sell products through the Internet. It operates in different countries of Latin America.

- **Consumer to business (C2B):** It is based on the commercial relationship between the consumer and the company, where the first is who establishes the conditions of the transaction instead of responding to a specific offer of products to services by a company. An example of this is Priceline.com, an American company that manages a commercial website where users can find discount fares in tickets and hotels.
- **Government to citizen (G2C):** These are the transactions that are carried out between the different government organizations and the citizens of a country where both interact electronically. Example: Internal Revenue Service (SRI), users through the website make the tax declaration.
- **Peer to peer:** In this business model, users can offer their services through platforms, here the interested parties agree to carry out commercial transactions. The person who offers must pay the platform for a commission and a fee intermediary for being the link between both users. An example is the Airbnb platform, which brings together people who want to rent their houses or rooms with tenants who pay through their platform charging a commission for being the intermediary.

1.4. Characteristics of B2C e-commerce

This type of electronic commerce model is based on the direct relationship in commercial transactions that takes place between the company that offers and the final consumer that buys the product or service without the need of intermediaries. This business model is one of the most common in the network since today users want speed and convenience when making purchases. In terms of infrastructure, in the B2C trade, the reduction of prices and costs is considerable because there is no need to have physical stores for the sale of products because they can do it through the internet and the web where users can access worldwide.

1.5. Advantages and disadvantages of the B2C model

Electronic commerce versus traditional commerce has several advantages. E-commerce offers companies different opportunities besides serving as an additional

sales channel for products and services. It allows businesses to open new markets since e-commerce exceeds geographical limits, allowing it to promote products with greater ease and helps consumers find products with better prices and better quality.

- **Greater reach:** The products and services can be exhibited all over the world obtaining a global reach without being limited to the geographical space. Since it is not necessary to have a place, shop or a certain physical space to market the products, companies save on administrative expenses. At the same time, customers do not need to go to it to buy, so they save money since they will not have to spend on transportation. However, it is necessary for the online business to have an e-commerce platform to create its own online store.
- **Booming market:** The population on the internet is increasing every time, presenting a potential purchasing behavior through electronic commerce. As a result of technological development, it has eliminated marketing barriers, causing the traditional way of acquiring goods and services, and increasing online sales (Global Web Index, 2017).
- **Purchase time:** Through e-commerce shopping is easier because with a click people can place the order and pay. This can be done at any time and day. Likewise, customers at the time of searching obtain a variety of results and fast.
- **Shopping through electronic media (mobile applications):** Currently consumers can buy online and can access websites or platforms from computers, smartphones, tablets, among others. One out of three purchases on average are made using these means devices, this means the sales increase and at the same time the shopping experience of the customers improves since they can buy from the place they are, obtaining comfort when buying.

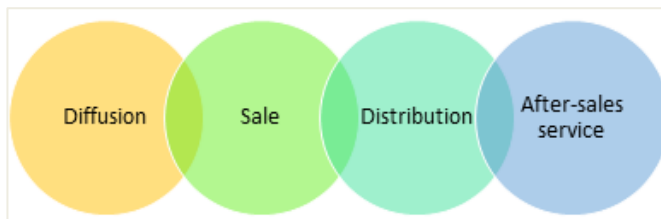
As explained, electronic commerce presents several advantages for both companies and consumers. Under this form of sale is possible a more personalized attention because there is a virtual contact between the company and the buyer. Online purchases allow the customer to know all the details of the products and access to more offers only available in online stores. However, there are also unfavorable aspects when entering this modality, for example;

- For consumers, the delivery time can sometimes take longer than going to the physical store.
- Although users can see the details of the products, they cannot feel the quality of these and sometimes it can vary from what is shown in the virtual store. The customer cannot test the product before buying it.
- There is distrust on the part of the users that the product does not arrive well or that it does not even arrive.
- Users are afraid to provide card details or other banking information when making the purchase.

1.6. B2C Stages

As indicated in the following graph, the e-commerce process constitutes 4 main stages:

Graph No. 2 Stages for the implementation of e-commerce



Source: (García, 2016)

Made by: Delgado Paula

1.6.1. Diffusion

In this phase, the company or business creates a website for consumers to know about the goods and services offered, so it is necessary to incorporate a catalog. In addition, it must have different options that allow the user to know more about the selling company. The design of the website should be attractive and functional in order to attract visitors and facilitate their use.

In this stage, advertising media also play an important role because through these the company can communicate, sell and give visibility to the products that want to sell, so it is necessary to define the means and types of advertising to use. Usually, email marketing is a useful promotional tool, this uses email to send discounts, news and information to those users who have previously decided to subscribe. Another means of promotion are advertising campaigns that aim to attract audience to the site.

Nowadays, social networks are key to the development of these campaigns, they have become an important tool to boost e-commerce, since it reaches a large number of users located in different places, thus helping companies to advertise their businesses. Before acquiring a product or service users use social networks such as Facebook, Twitter, Instagram, Pinterest, among others to inform themselves, influencing the purchase process.

1.6.2. Sale

Companies must efficiently combine all their efforts to achieve potential customers. On their website they should provide a quick, eye-catching and easy-to-use browsing experience so that users are attracted to the website and can see everything the company offers. All the options that are implemented will stimulate the user to buy. In this stage, users select the products they are interested in and keep them in the shopping cart, so it is essential that this option be included on the website so that as people go through the store, they can deposit the products they want for later. Proceed with payment and the company can manage the order.

1.6.3. Distribution

At the moment the order is registered, the selling company must manage the dispatch of the products, so it must begin by defining the distribution strategies that will be implemented. For example, if the company plans to make centralized shipments (from the warehouse, factory or headquarters) or decentralized shipments that are made from an external location. After defining what type of shipment will be made and the time of product offered, it will be determined if it is necessary to use intermediaries in order to comply with the agreed delivery times. In addition, companies must establish the tracking option so that the buyer can follow up on their order.

1.6.4. After-sales service

After the delivery of the product, it is important to know the degree of customer satisfaction when receiving the order, so it is necessary that the companies offer a service after the sale and look for the Feedback of the buyers to determine the existence of failures in the process either in the purchase, payment, shipment or receipt of the product. In the same way, it is important that the company attend to the

customer's complaints in order to know what their perspective is and how it can continue to improve so that the company must be accessible. In case the client wishes to return the product, the company must provide the facilities so that the client can proceed with the return of the product.

1.7. Situation of Electronic Commerce in Ecuador

Ecuador, like other countries, is no stranger to the development and integration of ICTs. The commercial growth in the web in the last years has been important since in the country both public and private institutions have seen the need to promote the commercialization of products and different activities using the internet, the web and other electronic media. Due to this reality, the regulation and control of electronic commerce activity is born, which is defined by the Ecuadorian law as "Any civil, commercial or financial transaction, contractual or not, which is carried out through the exchange of data messages or similar means ". (Rivadeneira, 2015)

1.7.1. Ecuadorian Regulation

In Ecuador, the legal order of electronic commerce is regulated by the Electronic Commerce Law, Signatures and Data Messages, which serves as an indispensable and necessary legal tool that provides legal security to businesses that use electronic commerce. The Ecuadorian legislation considers that the use of electronic and internet networks is important for the development of commerce, allowing both the public and private sectors to find business opportunities under the modality of electronic commerce.

Likewise, the State considers it essential to promote and stimulate access to electronic services for Ecuadorians, guaranteeing the use of information network and internet services to serve as a means of developing commerce, education and culture. Through electronic means, economic and trade relations are established, leading to the realization of contracts, which are necessary to regulate and control them, which is why the Electronic Commerce Law. Electronic signatures and data messages have been issued with the purpose that the Ecuadorian State offers legal instruments that allow the use of electronic services, including electronic commerce to access international business.

Article 36 states that the organism for the promotion and dissemination of electronic services, including electronic commerce, is the Foreign Trade Committee (COMEX). The agency for regulation, authorization and registration of accredited certification bodies is the Telecommunications Control and Regulation Agency (ARCOTEL). Chapter III establishes the RIGHTS OF USERS OR CONSUMERS OF ELECTRONIC SERVICES, which are:

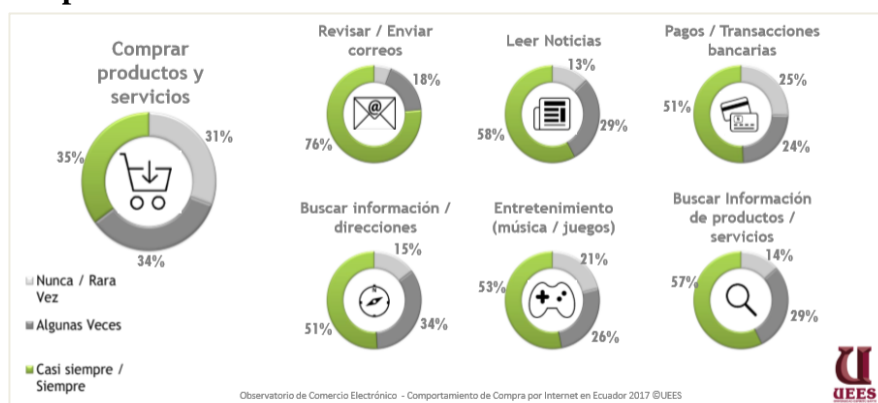
- Consent to accept data messages
- Consent for the use of electronic media
- Consumer information

1.7.2. Development of electronic commerce in the country

Currently, the Internet is indispensable in everyday activities, Ecuador, like several countries in the world, has access to the Internet and new information and communication technologies. The growth of the internet in the country in terms of the use and acquisition of technological items is evident but is still in development. 56% of users have a cell phone and 53% have a smartphone and 28% of Ecuadorians have a laptop in their home.

According to the National Institute of Statistics and Census, in 2016 the penetration of the Internet in the country reached 81% and 54% of the population uses the Internet at least once a day. 38% use the internet mainly to obtain information and 32% use it as a means of communication. The activity that is carried out more frequently through the internet is to check and send emails. However, it is important to emphasize that despite the fact that there is a development in terms of the internet and ICTs, the scope of the website is still in the development.

Graph No. 3 Activities on the Internet



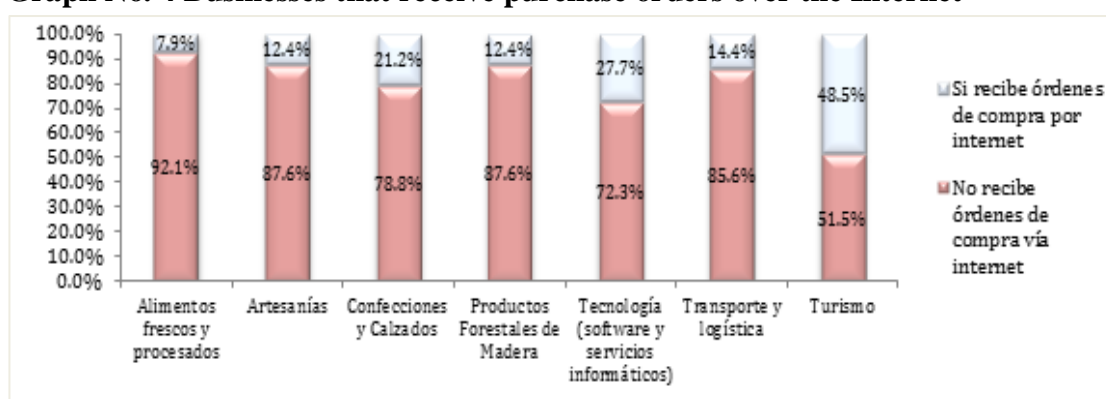
Source: (Cámara Ecuatoriana de Comercio Electrónico, 2017)

Although, the internet penetration rate is increasing, the Ministerio de Telecomunicaciones y de la Sociedad de la Información (MINTEL), with the purpose of promoting electronic commerce, seeks to make ICTs a fundamental tool so that Ecuadorian companies, whether small, medium or large, can find business opportunities through this modality.

According to the Ecuadorian Chamber of Electronic Commerce, a total of 2.5 million dollars in transactions through the Internet was registered in 2016. It is essential that companies that venture into electronic commerce develop a platform where they can see the products they sell and the payment option. At the same time, the strategies to be applied must be considered in relation to the movement of the market and the acceptance of the product as well as the brand.

At the same time, according to MINTEL, micro, small and medium enterprises. (SMEs), sell their products and services through the internet. The first recorded 48.6%, medium-sized companies 56.9% and small companies 52.9%. E-commerce has become a means for several Ecuadorian entrepreneurs to offer and sell their products through the Internet. With respect to microenterprises, the sector that receives the most purchase orders online is linked to the tourism sector and the one that sells the least on the Internet is the food sector, as can be seen in the graph.

Graph No. 4 Businesses that receive purchase orders over the Internet

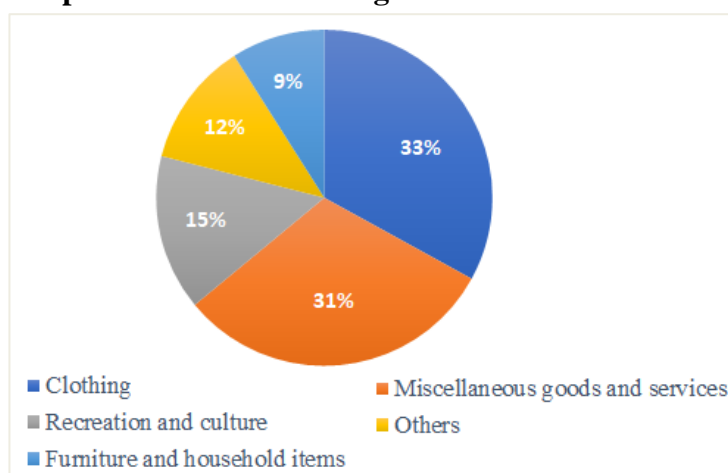


Source: (Cámara Ecuatoriana de Comercio Electrónico, 2017)

During the seventh edition of the e-Commerce Day, which took place in the city of Quito, in November 2017, the first study on the state of electronic commerce in the country was presented, with the aim of stimulating the companies of the private sector to offer more products and services through the line. At the same time,

encourage the State to support electronic commerce in a more active way. Through this report, you can have an overview of the situation of electronic commerce in Ecuador. Likewise, the report indicates that the cities of Quito, Guayaquil and Cuenca account for 51% of the country's virtual purchases. The categories that are most bought through this modality are, first of all, garments and second, goods and services. On the contrary, the category that Ecuadorians buy the least on the Internet are furniture and household items.

Graph No. 5 Purchase categories in Ecuador



Source: INEC 2016

Made by: Delgado Paula

As for the profile of online shoppers, they are users who have an academic instruction or university education and the ages range from 26 to 33 years with an average socioeconomic level. Likewise, 55% of online buyers are women, which represent greater purchases than men with 45%. In contrast, when analyzing the profile of people who do not buy online, they are women over 44 years old and with a lower educational level. Regarding the frequency of purchase, users are generally more willing to buy goods and services through the Internet abroad than at the local level.

According to the variables to be considered in terms of the low development of electronic commerce is related to users. The reasons why users do not make purchases on the internet are because people prefer to see what they buy, they are afraid to give personal information and distrust in the form of payment, fear of being scammed by companies or online sellers, they prefer to be served by sellers, bad

references from other people who have bought online, fear that the order will not arrive and the shipping costs. It is essential to highlight that 50% of users consider that the main reason for not buying is not having physical product and mistrust are the barriers that exist for this commercial relationship through the internet.

Analyzing the situation of e-commerce in Ecuador, the study concluded that the development of electronic commerce in the country has grown in recent years and that several companies have opted to implement this business model. However, it is still in an initial stage. To achieve a growth in commercial transactions through online, it is necessary to deal with those barriers that are limiting their progress such as the lack of education, security and trust of users regarding e-commerce.

1.8. Context at the local level: City of Cuenca

Currently, initiatives by the private sector in terms of electronic commerce in the city represent an option to activate the economy at the local and national levels. The commercial relationship with the technological media is close because it allows businesses or companies to have a greater relationship with users. At the same time, both economic actors benefit and they can carry out negotiations through this medium, which has advantages such as decreasing times and shortening distances (Moreno, 2018).

E-commerce and digital media offer a new opportunity for Cuenca entrepreneurs, since they find it easy to disseminate and promote their products and their brand. Incursion in this type of sale helps them not only to reach the people of the city but also to other cities. In addition, they argue that selling online has advantages compared to traditional sales, since having a physical store represents more costs such as rent, salaries of employees and payment of basic services. (Cisneros, 2017).

However, in order for electronic commerce to be dynamic and develop in the city of Cuenca, it must be encouraged so that it can achieve effectiveness. It is vital to improve the commercialization actions through this modality of commerce as to train the actors of the economy on the TICs, since nowadays the technology has been limited to social networks and mobile messaging.

Although, the connectivity of the city is considered very good. There is approximately 6% digital illiteracy, which is why it is necessary to encourage

learning about digital platforms that promote commercial transactions. In the same way, it is essential to provide greater security to users who use this modality of purchase through payment platforms, websites and secure platforms.

The commitment of the *Camara de Comercio* is transcendental for the development of e-commerce in the city, which is why it has been proposed for this year 2018, to increase the productivity and competitiveness of the businesses that have ventured into this modality through permanent training for partners and citizens on issues related to the use of technological tools.

For the executive director of the *Camara de Comercio*, "Electronic commerce is not the future: it is the present, in which Cuenca must be inserted with speed and strength" (Moreno, 2018). Likewise, it is necessary to emphasize that this purchase and sale modality presents opportunities to promote the local economy. However, there are few companies in the city that have implemented their business electronic commerce. Consequently, it will be described which are the main companies that have ventured into the e-commerce and to which each of them is dedicated.

The company Colineal Corp. CIA Ltda, which sells furniture since its inception and has incorporated the sale of home accessories, beauty products, among others. It has opted to venture into e-commerce so that their customers can buy its products without having to go to physical stores that sometimes users are limited by time and distance. Subsequently, in the second chapter of this paper, the Business to Consumer e-commerce business model implemented by Colineal will be analyzed.

The company Megabite, located in Cuenca, also uses e-commerce, through its web platform, allows consumers to order food at home in an easy and fast way. The user must access the website www.megabite.menu or download the Megabite application for iOS and Android through any mobile device. This company offers a variety of restaurants so that users can choose what they want to eat and from what place.

When ordering, the user must enter their data and in a few minutes the restaurant will be notified. Payment can be made in cash when the order arrives or by Megabite by entering the credit card. This initiative was born from a group of young entrepreneurs from Cuenca who want to provide the public with an easy way to acquire their products. This company has also added to its web platform and application

MegaDrink, a section for over 18 years to buy liquor and MegaMarket that offers the option of buying stationery, perfumery, supermarket, household items among others.

CHAIDE Y CHAIDE S.A., an Ecuadorian company, operates in the city of Cuenca and other cities in the country, is dedicated to the manufacture and marketing of products for relaxation (mattresses, pillows, among others). This company also uses electronic commerce to sell its products. Thinking about the current needs of the client, offers the ease of purchasing through the internet so that users can receive them from the comfort of your home without having to go to the store.

These companies faced the challenge of implementing electronic commerce as a sales channel based on their projections and vision, which is why they have developed their strategies using different business models. The company Colineal and Chaide & Chaide with the e-commerce model Business to Consumer and Megabite under the Peer to Peer modality. Although, the city of Cuenca is in an initial phase of electronic commerce and still needs to be developed, these companies have demonstrated their innovative spirit which characterizes them. Thanks to their desire to improve their service to provide their customers with greater benefits when buying. They have ventured into this mode of sale, allowing the user to buy more conveniently, quickly and easily.

CHAPTER 2: MODEL IMPLEMENTED BY THE COMPANY

Introduction

E-commerce has stimulated and in a certain way forced companies to change or implement new business models. These are based on current strategies, in order to diversify their commercial activities. For this reason, the company Colineal Corp. with the purpose of reducing costs and reducing the time of supply has ventured into the modality of electronic commerce called business to consumer. Also, the company through online sales aims to provide a more personalized and direct attention to their customers in order to establish a virtual relationship in commercial transactions of purchase and sale.

Engaging in electronic commerce and applying a business model under this modality implies carrying out different processes and correctly establishing the strategies so that final consumers can perceive the value proposition. It is vital that the company develops a platform so the users can visualize the products and at the same time they can make the purchase. In order to achieve the success of this sales method companies must have strategies. Therefore, this chapter addresses the analysis of the model implemented by the Colineal company in order to determine the aspects that have been key to its execution. When analyzing the implemented model, it will examine the web platform that the company has created and made available to users, which allows customers to obtain information about the company, view the products offered, interact, consult and buy.

At the same time, the strategies applied in terms of digital marketing, logistics and product delivery will be examined, these elements being fundamental for the development of the model analyzed. Jointly, this chapter will address aspects of the company such as its mission, vision, business objectives, corporate values and other generalities. It is essential to know the company, its development over the years and the future projection of this sales method. At the same time, this chapter will conclude analyzing the online sales registered by the company in 2016 and 2017 to determine the growth it has had and the percentage represented by online sales.

2. General aspects of the company

Colineal Corp. Cía. Ltda is dedicated to the manufacture and marketing of furniture locally and internationally. The company has 40 years in the Ecuadorian market and due to its hard work and continuous improvement to offer quality products with innovative designs. It has managed to consolidate itself through time until it has positioned itself as the largest furniture company in the country and one of the most important in Latin America

The company has approximately 600 workers who work in the plant located in the city of Cuenca, Ecuador. The administrative and sales area has more than 350 employees. The company has created more than 1,000 jobs directly. All the equipment that makes Colineal Corp daily works to produce quality products to be marketed inside and outside the country. Currently, it has large exhibition and sale stores. Colineal has twenty-three stores in different cities of Ecuador, three stores in the capital of Peru and one store in Panama City.

2.1. Historical review

The company known today as Colineal Corp was initially born as a furniture workshop in the 40s. However, in 1976 Roberto Maldonado Álvarez was motivated to help his father to sell the furniture he made. He decides to manage the small workshop and give it a change. On December 15 of the same year he opened a store in the city of Cuenca with his partner. From the moment they opened their first store, they had great success and they managed to sell all the merchandise they owned. This encouraged its founder and decided to invest in new equipment and tools to manufacture quality furniture, comfortable and innovative.

The main objective of the company since its inception was to industrialize and grow while always maintaining the quality of its products. For the 80s, the company already had a plant of fifty employees. As it has grown, it has opened different stores in several cities of the country and outside of it, so the staff has been increased. In 1994 the company opened its first store in the city of Bogotá, Colombia. Later in 2009, Colineal inaugurated a Megastore in the city of Panama and since 2010 it is located in Peru.

The success of the company is due to the design and quality of the furniture it manufactures. As well as adequate planning and control throughout the production process, from the selection of the raw material to the delivery of the products to its customers. In order to obtain effectiveness in the value chain and fulfill its main objective of offering furniture and high-quality products. Likewise, the company continually trains its human team to carry out its work correctly, providing them with the necessary tools and knowledge to meet the client's expectations in relation to the product, service and attention.

The furniture manufactured by the company meets high quality standards, which have been accredited by international certifications such as ISO 9001-2000. This standard authenticates the compliance and good functioning of all the processes in the different departments of the company to meet the expectations of the clients before, during and after the sale. Colineal is the first furniture company to have this certification in Latin America.

Colineal Corp with the desire to provide quality products to its customers and at the same time meet their corporate objectives. It trains its personnel to elaborate the furniture meticulously, controlling piece by piece and under quality standards. This has allowed the company to be more than 40 years in the national market and be recognized abroad for its innovation, design and quality furniture.

Due to the continuous search of strategic alliances with international suppliers by the company Colineal Corp. The company has been able to work with different and prestigious brands of furniture worldwide to provide its customers with excellent quality and innovative designs of furniture and articles for the home.

2.2.Colineal Corporate Group

The Corporate group was established by the fusion of recognized brands. Colineal acquired the rights of the Heritage company and the Norwalk franchise, both companies dedicated to the production of furniture. Through this integration, Colineal got its products to reach different markets such as Colombia, Panama, the United States and Canada, achieving the internationalization of the brand. Of its total production, 25% is sold internationally and 75% nationally.

2.3.Strategic plan

- **Mission**

“Manufacturing and marketing furniture with the highest quality and design, managing to satisfy our customers, and achieving financial returns according to the investment, with a highly motivated, trained and satisfied staff.”

- **Vision**

"Maintain leadership in the business of manufacturing and marketing of furniture and accessories for home decoration in the Ecuadorian market and increase our markets abroad, obtaining profitability and continuous growth."

- **Corporate values**

- Respect for people, their beliefs, values and rights.
- Act honestly in each and every process, from the receipt of the raw material to the delivery of the product to the client.
- Constantly innovate through creativity and proactivity in the development of work.

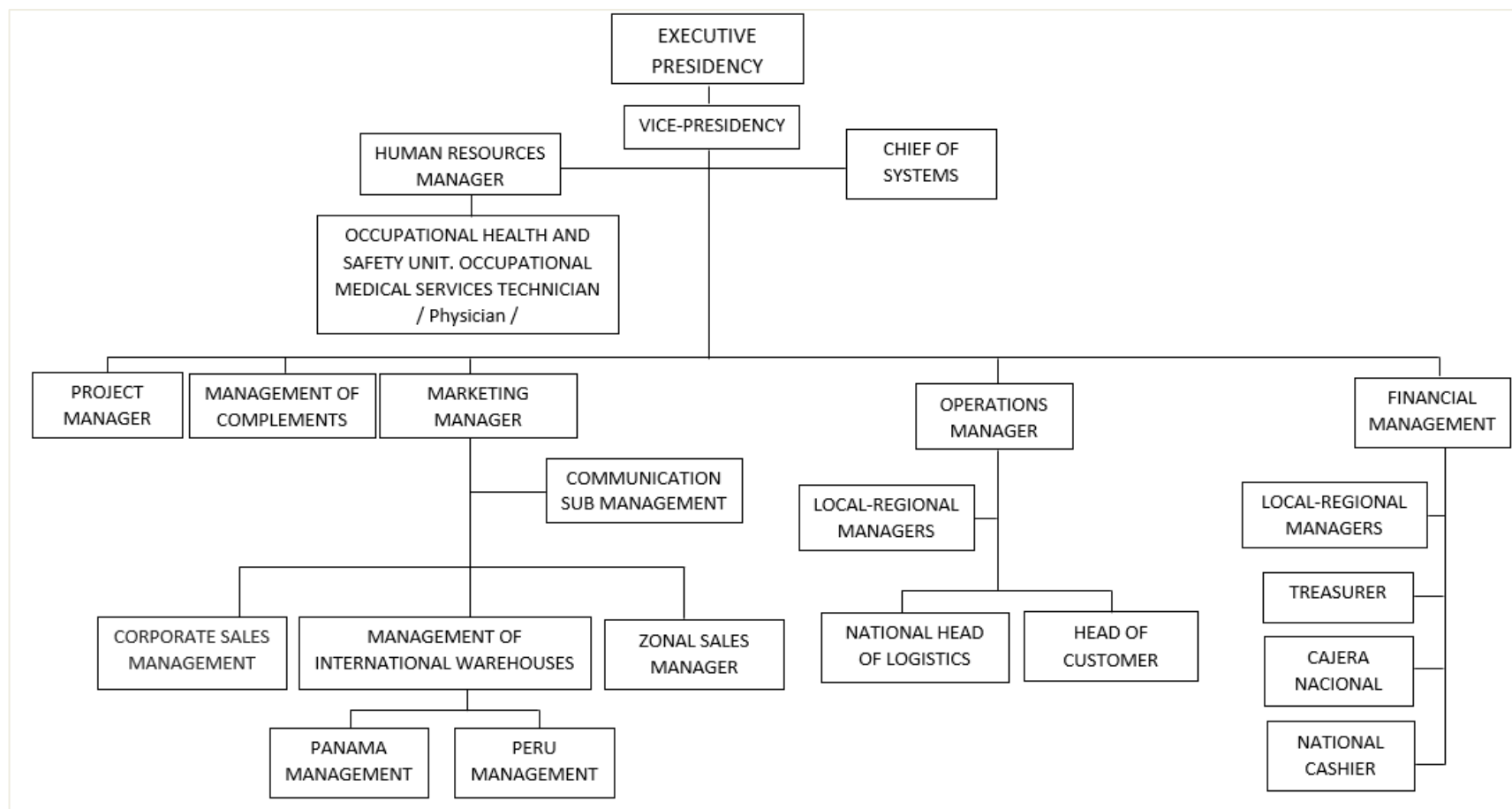
- **Integral Policy**

The company considered a leader in the production and marketing of wood and upholstery products. It is committed to satisfy the requirements of its customers, which is reflected in their continuous work to provide products of excellent quality, taking care of the environment and the well-being of all its employees. In the same way, Colineal allocates the necessary resources for the effective execution of good practices in terms of the safety and health of all its employees, creating a culture of prevention.

- **Organizational Structure**

According to the Ley de Compañías, the legal framework under which legally constituted companies operate in Ecuador. The company Colineal Corp. Cía. Ltda is considered a limited company, maintaining a vertical structure. Each area has a responsible person who in turn has subordinates who are responsible for certain functions. Likewise, the lines of command and hierarchies of the company are well defined, as shown in the following organization chart.

Graph No. 6 Organizational structure of the company Colineal Corp Cía. Ltda



Source: Human Talent Department - Colineal

Made by: Delgado Paula

2.4. Value chain activities

In order to analyze the activities carried out in the company, Colineal uses the value chain as a strategic tool to identify its sources of competitive advantage to generate value for the final product. In the activities of this chain are basic and support activities, as shown below;

Graph No. 7 Activities of the value chain



Source: Company Colineal Corp.

Made by: Delgado Paula

2.5. Sales channels

The company since its inception commercializes its furniture through physical stores, which are present in different cities of Ecuador, Peru and Panama. However, it has found a commercial alternative to sell through both physical and digital catalogs. This channel known as *omnicanal* allows users to visualize the products that the company offers without having to go to physical stores. Transactions through catalogs are carried out when people interested in buying the products call 1-800-123-456. The purchase of furniture, accessories or other items that the company offers is made through an operator.

Although, Colineal uses other channels to sell its products, the company in the search to find new ways to sell has seen the opportunity to venture into electronic commerce. The company is aware that today users spend most of their time surfing the web and connected to the internet. Provoking this a change in the way of acquiring goods and services in the traditional way to this new online sales method.

So, the company from the year 2016 decided to implement the e-commerce model called Business to consumer, which establishes a direct relationship between the selling company and the final consumer without intermediaries. Likewise, it has considered that currently this type of model is widely used by users since it gives them advantages of speed and comfort when they buy their goods or services.

2.6.Implementation of the Business to consumer model

For the implementation of the B2C model, the company began defining and planning both the activities and the processes necessary for its effectiveness. Therefore, it was necessary to create a website so that customers can access the online store, entering through www.colineal.com. Within the website, catalogs were incorporated to display the different furniture and products. Likewise, the shopping cart, the process to place the order, the payment methods and other options were installed, so the consumer can buy easily and quickly.

Colineal started with the redesign of its website, since the first contained only general information and you could not make purchases through it. The company in order to develop its online store saw the need to create a more secure, fast and dynamic platform. Where customers can find detailed information about the products that the company offers. The website was designed in a friendly way so that users can feel comfortable when navigating. In addition, several options were added that allow the user to interact directly without having to go to the physical store.

The online chat was incorporated into the website so that the client can communicate with a Web Catalog Sales Agent. The agent will resolve the user's concerns. For this, the client must enter their data as name and email. Once completed, the chat will automatically activate. In the upper part of the website, the name of the agent will be indicated, which will serve the customer in a virtual way and the name of the client will be displayed as well. The agent of Colineal will welcome and ask the user if there is any concern. In this way a link is created between the company and the consumer, facilitating the purchase process through the online store.

In addition, the website has added the option of tips and ideas for the client to learn about new trends in design and decoration. This section helps the user to choose their products properly to decorate their home, office or other spaces based on functionality and aesthetics, using Colineal furniture and accessories. In this space the company wishes to advise its client to make a purchase that meets all their expectations.

In the same way, the company, thinking of its corporate clients has incorporated on its page the Mobile Projects tab where it is possible to visualize the different jobs in which the company has contributed in different areas such as furniture for construction, hotels,

homes and hospitals. This will serve as a reference of the quality of the furniture and accessories that Colineal offers to the clients focused in the area of construction or related.

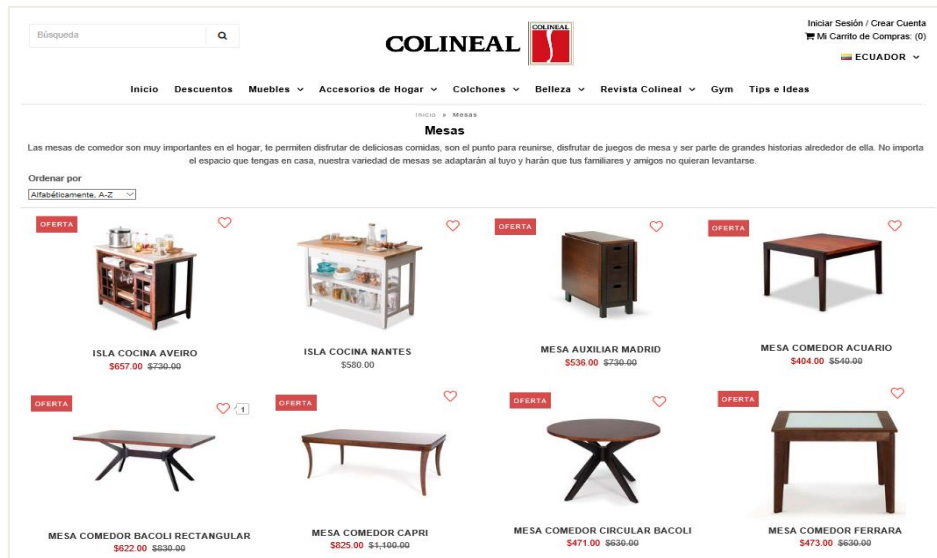
2.7.The purchase process through the online store.

For the creation of the online store, a virtual catalog was incorporated into the website in order to show the products that Colineal offers and that users can see. This catalog is displayed at the beginning of the website, which was designed and structured by sections to make it easier to search for products. At the top of the page the following options are displayed: furniture, home accessories, mattresses, beauty and gym. Upon entering each of them, a variety of articles will be displayed according to the selected category.

Also, there is the Discounts option where users can enter and find offers and discounts on selected products. Also, people can directly search for the products of their interest, for which the search option exists on the website. While users browse the Colineal page, they will discover all the options offered by the Colineal virtual store as tips and ideas to help the customer decorate their spaces and environments with the furniture and products of the Colineal company.

In addition, users can find on the website the best-selling products of the week, exclusive of colineal.com and the products sold by the company so the search will be direct and more effective for customers. Also, the website facilitates the search of the user through the option of Similar Items. When the customer selects a product, at the bottom will show other products that are related to the previous search and that may be of interest to the client. These options help the customer find the products they want easily and quickly.

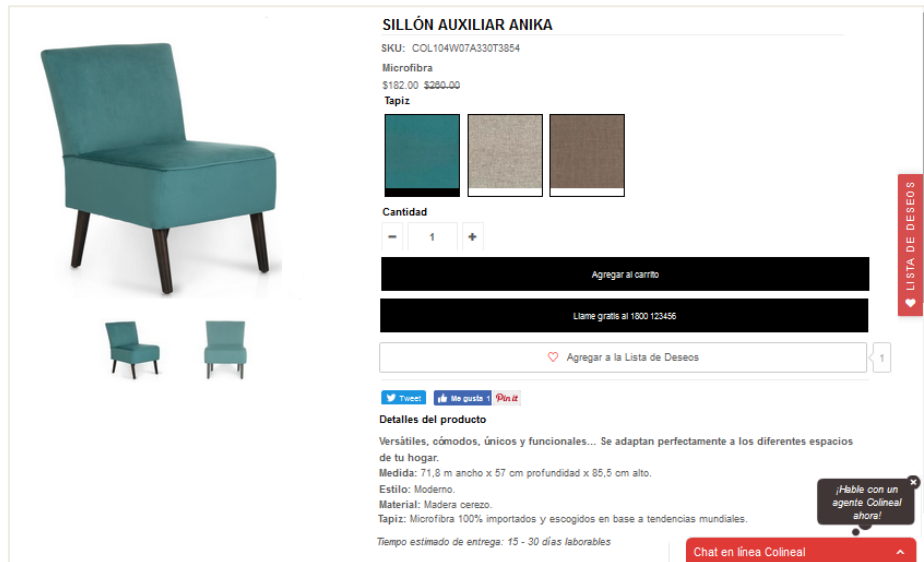
Graph No. 8 Screenshot - Colineal online store catalog



Source: www.colineal.com

Once the consumer chooses the section he wants, the client should click on the product of his interest, the image of it will appear with his name, price, detail, dimensions and delivery time. Additionally, the user can select the quantity and in certain products such as furniture the client can choose the color of the tapestry. In addition, all the details of the product will appear and the customer can select the options that he wants. Then, if the user wishes, he must add the selected products to the shopping cart and he can buy through the virtual store or call 1800 123456 to make the payment. As can be seen in the image shown below;

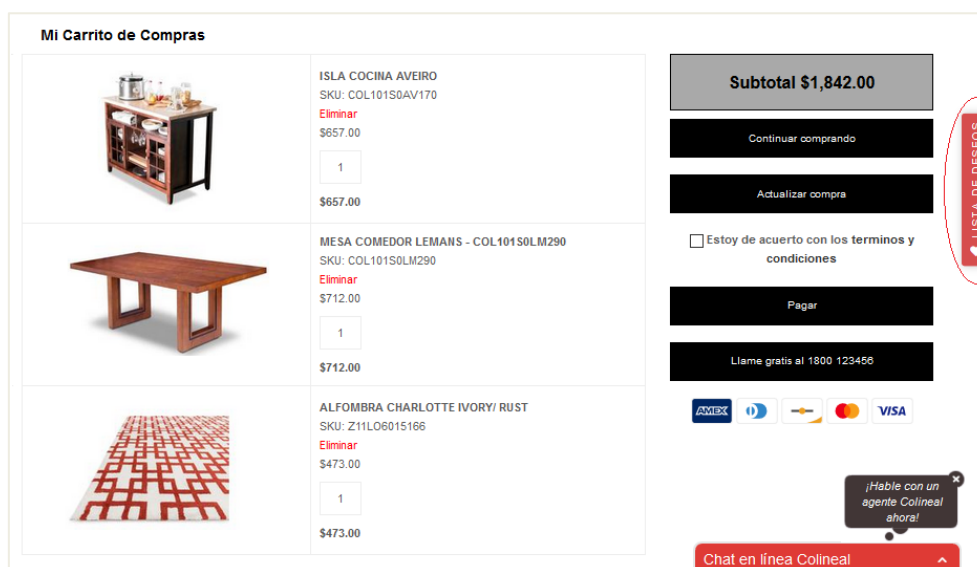
Graph No. 9 Screenshot - product detail Colineal online store



Source: www.colineal.com

In case the client is interested in a certain product, he must add it to the shopping cart and it will automatically be saved. The function of the shopping cart, fulfills the same function as a physical shopping cart. While customers go through the store, they add what they want to buy and once they are sure they proceed to cancel. In addition to this, there is the option of Wish List, where users can add the items that are interested to the shopping cart. It can also be shared through social networks such as Facebook, Twitter, Pinterest or via email to inform certain friends about the products that are of interest to the user.

Graph No. 10 Screenshot - Colineal Shopping Cart



Source: www.colineal.com

With regard to the purchase in the online store, the company first asks the user to enable a personal account, the registration is easy and fast. The client must go to the account icon and there, complete the necessary fields such as email and password. Also, users can register using the Facebook, Twitter and Instagram link for the account to be enabled. When the user has completed his / her information, Colineal will send a notification to the user's email about the activation of the account and in the same way the company will welcome the user. It is important to emphasize that having a personal account is a prerequisite to make the order and then payment. Also, creating an account allows the user to have their own space to browse and save the search for the products of their interest without being deleted.

Graph No. 11 Screenshot - Colineal account registration



Source: www.colineal.com

Once the user is sure he wants to buy what is in the shopping cart and wants to pay, he should check his future purchase. The website gives him the option to review each item previously selected. Once he has reviewed the quantity, color and price of the product, the subtotal will be displayed. In case the client agrees, he must voluntarily check the option to accept and agree to the terms and conditions to proceed with the payment. In case the user has verified an error he can edit the order, changing the quantity or eliminating the items that he does not want. Finally, the customer must select the option to update the purchase and when he is sure he can continue to pay.

At the moment of cancellation, the summary of the order will be displayed in which the name, code and price of the product will appear for each item. The total to be paid including VAT will also be shown. The shipment without cost of the products will be

made only for the cities of Cuenca, Quito, Ambato, Riobamba, Loja, Guayaquil, Machala, Manta and Portoviejo. On the other hand, for other cities of Ecuador, the shipment will have an additional cost that will be automatically generated depending on the city chosen by the client.

In the last stage of payment, it is necessary that the client fill in the contact information. In this section, the user must complete their data as identity card, telephone, address and zip code for the shipment of furniture and products. With regard to billing and payment, the company provides security and ensures that all transactions made through its platform are secure and encrypted. What guarantees the client that their information will not be used for other purposes than those required and accepted by the user.

Graph No. 12 Colineal screenshot – Billing

The screenshot displays the Colineal website's billing interface. On the left, the 'Contacto' section includes fields for 'Correo Electrónico' and 'Dirección', each with a 'Cambiar' link. Below this is the 'Envíos' section, where 'Envios Colineal' is selected for a cost of \$20.00. A blue button labeled 'Continuar a forma de pago' is visible. At the bottom left, there are links for 'Política de devoluciones', 'Política de privacidad', and 'Condiciones de servicio'. On the right, the 'Carrito' section lists items: 'ISLA COCINA AVEIRO' (\$657.00), 'MESA COMEDOR LEMANS COL101S0LM290' (\$712.00), and 'ALFOMBRA CHARLOTTE IVORY/ RUST' (\$420.00). A 'Subtotal' of \$1,789.00 and 'Envío' of \$20.00 are shown. The 'Total' is \$1,809.00, including \$191.68 in taxes. A discount code field and an 'Aplicar Descuento' button are also present.

Item	Price
ISLA COCINA AVEIRO	\$657.00
MESA COMEDOR LEMANS COL101S0LM290	\$712.00
ALFOMBRA CHARLOTTE IVORY/ RUST	\$420.00
Subtotal	\$1,789.00
Envío	\$20.00
Total (Incluye \$191.68 de impuestos)	USD \$1,809.00

Source: www.colineal.com

When the user decides to pay, will be redirected to CobroSec.com to complete the purchase safely. In this section, the client will find different payment options, so the user can select and choose the best option. Cancellation can be made using the following credit cards: Visa, MasterCard, Discover and American Express. Also, it can be canceled through PayPal, PayPhone among other means.

In the same way, the user may choose to make the payment up-to-date or in installments from 3 to 15 months without interest or 36 payments with interest. After selecting the payment method, the buyer must enter the data of the card as: number, expiration date and security code. In this way the payment will be made. For billing information, users

can select if they want to use the same shipping data or use other information to issue the invoice.

Graph No. 13 Screenshot - online payment options

CIAS PROCEDER AL PAGO

Total a pagar: \$ 1809.00

Definir

Seleccione su forma de pago

Luego de click en el botón PROCEDER AL PAGO en la parte superior

☒ Corriente sin interés con las tarjetas

☐ 3 Pagos sin interés con las tarjetas

☐ 3 Pagos con interés

☐ 3 Pagos sin interés con las tarjetas - 2 meses de gracia

☐ 4 Pagos sin interés con las tarjetas - 2 meses de gracia

Source: www.colineal.com

After selecting the payment method, the user must click on the Proceed to Payment button, which is at the top of the website. From there, the client will be redirected to complete the information and data of the credit card to make the payment online through the DATAFAST payment network.

Graph No. 14 Screenshot - payment through DATAFAST.

Red de Pagos DATAFAST

Tipo de tarjeta: Visa

Número de la tarjeta: Número de la tarjeta

Expira: MM / YY

Nombre del titular de la tarjeta: Nombre del titular de la tarjeta

Código de control: Código de control

Diferidos: 0 Intereses: No Meses de Gracia: No

Powered by DATAFAST

TITANIUM DISCOVER VISA

Pagar

Source: www.colineal.com

Once the purchase is made, Colineal continues with the sale process and proceeds to the delivery of the furniture and accessories. Upon receiving the order, the company coordinates with its warehouses and different means of delivery for the dispatch of

orders. For this, the company within its internal procedures has established policies, strategies and methods that guarantee an effective coordination to satisfy the client when they receive their orders in the agreed time. Colineal delivers the furniture in its own trucks and for the accessories the company uses a courier with national coverage.

When the furniture and products arrive at the customer's home, there is full integration of this type of electronic commerce, represented in the different stages of the supply chain. Each step is important since it guarantees the fidelity, satisfaction and recidivism of consumer purchase. Therefore, Colineal has had to implement different processes that guarantee the sale effectiveness of its products.

Likewise, the company has implemented a post-sale service through the return and guarantee policies that benefit the customer and the effectiveness of purchases through this modality of electronic commerce. If after the sale of the product, the consumer is not satisfied with its purchase he can return it as long as he complies with the terms and conditions previously accepted by the same user. (See annex 1).

It is important to emphasize that knowing the terms and conditions established by the company allows the client to navigate in the online store in a secure manner. The data provided by the customer online will be for exclusive use and will not be disclosed or used for other purposes that the customer has not authorized the company. At the same time, at the bottom of the website are the policies that Colineal handles when using this online sales method such as pricing policies, promotions, delivery and returns; which are mentioned in detail below;

- **Pricing Policy, Promotions, Delivery and Returns**

Prices and Taxes: The prices of furniture and other products indicated on the website are valid exclusively for purchases made online. That is to say, these can differ to the prices in the warehouses and catalogs. All prices include VAT. As for offers, promotions or discounts depend on each sales channel. The company can change the prices and promotions of its products without prior notice.

Orders, policy of modifications / cancellations of order: In case that the client wishes to modify or cancel his purchase, he will have a term no longer than 24 hours from the conformation of his order to do it. To cancel the order, the user must contact the Call Center (1800-123456) or through online chat through the website colineal.com. Which

are available from Monday to Friday during office hours. After the established deadline, the client cannot change or cancel his order.

Returns: Before the shipment, the order will be inspected carefully. However, in the event that the customer reviews his purchase and found any damage, the company will make the respective arrangements or replace the product if it is necessary. The customer can request the change of the furniture or another product before the first 24 hours after receiving his order and he must contact the company. During this process, the personnel of Colineal will visit the address where the furniture or product is located to verify the reason for changing the article.

If the client wishes to cancel his order, he must assume the value of the logistics expenses (delivery, withdrawal and packing of the merchandise) and if the product was made exclusively for the customer, it is considered as a special product, so it will have a penalty of 10% of the value of the furniture or product. To make any change it is necessary to have and present the invoice, if it is a gift, the return will be made in another product or credit for the value of the return.

The company will not accept the return of the merchandise due to dissatisfaction of the product or because it does not like the characteristics of the product as dimensions or color. Also, in no case, the company will accept returns of:

- Personalized items or special orders.
- Merchandise damaged due to normal wear and tear of the product.
- Complementary products such as ornaments, carpets among others.

Shipping: The delivery time may vary depending on the product, so after completing the purchase a Colineal adviser will contact the customer to coordinate the place, day and time of delivery. The shipping cost for the cities of Quito, Guayaquil, Cuenca, Ambato, Riobamba, Loja, Machala, Manta and Portoviejo, is free. On the other hand, for other cities the shipping value will be communicated at the moment that the delivery of the product is coordinated. The delivery can vary between 15 to 30 working days.

- **Privacy Policy**

The security and protection of personal data of users is essential for the company. Through its website, Colineal stores the information that users provide and uses to

respond exclusively to the needs of their customers and to obtain market material, using the data that the client has previously decided to grant. With regard to privacy, all information provided by the client, the company will respect and safeguard its integrity.

In addition, Colineal has established a policy that protects the misuse of the client's personal information, that is, the website has measures in place to protect the loss, misuse and alteration of the information. The access of the information will be exclusively handled by those employees of Colineal to resolve the requests and concerns of the clients, the same ones who know the Privacy Policy and they can only and exclusively access with their passwords.

At the same time, the company recommends the user to protect their information when leaving the website, closing session, especially when accessing from public computers or from third parties. It is important to emphasize that the user assumes responsibility for the security key (password) used when registering, so Colineal is not responsible for the misuse of this key in those unwanted transactions.

2.8. Online sales periods 2016-2017

2.8.1. Sales year 2016

As mentioned above, the Colineal company entered into this type of sale starting in 2016 with the creation of the online store and as of the fourth quarter of this year sales were recorded. The online sales data is shown below;

Table No. 1 Sales 2016 - fourth quarter

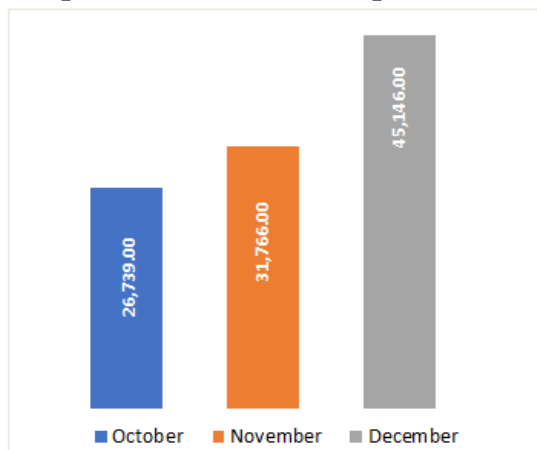
MONTH	AMOUNT
October	26,739.00
November	31,766.00
December	45,146.00
Total	103,651.00

Source: Sales department Colineal Corp.
Made by: Delgado Paula

In this year, starting in October, Colineal registered its first online sales through its website, registering a value of \$ 26,739. The months after this, sales increase as shown in the previous table, reaching revenues in terms of online sales of \$ 103,651 including VAT. In spite of being the beginning of this modality, it had great opening mainly by

the consumers of the city of Quito, possibly because they were more comfortable when making purchases through this sales channel.

Graph No. 15 Online sales periods October-December



Source: Sales Department Colineal Corp.

Made by: Delgado Paula

2.8.2. Web sales - year 2017

Table No. 2 Online sales 2017

MONTH	AMOUNT
January	5,975.79
February	6,549.15
March	41,486.48
April	57,512.69
May	46,860.34
June	74,744.98
July	116,639.04
August	50,480.33
September	61,466.06
October	162,558.34
November	72,387.91
December	47,875.88
Total Sales	744,536.99

Source: Sales Department Colineal Corp.

Made by: Delgado Paula

The company in this year, closed its sales with a total of \$ 744,536.99, a value that exceeded the previous year. (See Annex 4). The first months of the year, January and

February registered minimum sales compared to the following months. However, the months with the highest sales were June, July and October. For the month of June, Colineal offered discounts for purchases made online, the promotion campaign was launched with the name of Web Sale Colineal for Dad. Promotions and discounts were applied exclusively for purchases made on the website for 72 hours from the 13th to the 15th of this month and discounts were applied from 50%.

Graph No. 16 Colineal Web Advertising



Source: https://twitter.com/Colineal_ec/status/874271802457018368

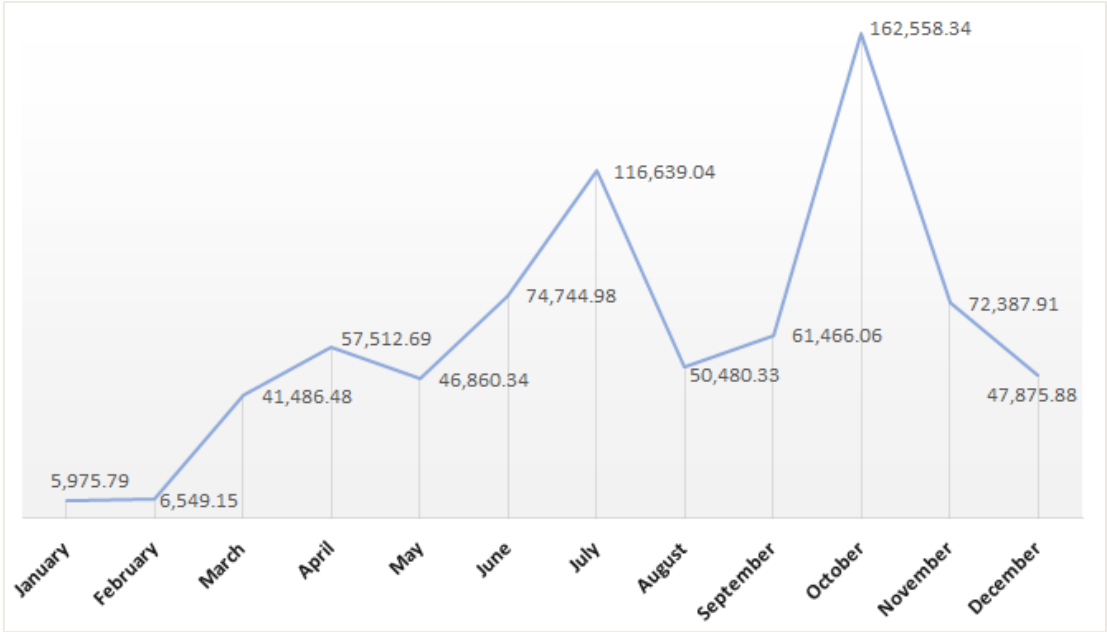
With regard to the month of July, sales were greater than the previous month with a value of 116,639.04 dollars. In this month, the liquidation of Bodega Web Colineal was carried out, in which it was offered, up to 50% discount on furniture and accessories. The promotion applied exclusively for purchases made online during the days 17 to July 20, having great reception by users. It was advertised through the Facebook social network.

In the month of October, Colineal made the liquidation of Bodega Web and publicized it through social networks such as Twitter, the company offered up to 60%. The promotion was only for purchases in the online store of colineal.com and the advertising was valid from the 17th to the 19th of this month. Social networks, which were responsible for announcing this web liquidation, encouraged customers to make purchases using this new sales method.

Unlike traditional advertising tools, Facebook managed to get the announcement to be played 28,000 times. Likewise, a direct interaction between users and the company was generated through comments that people published about more information, questions

and opinions regarding satisfaction. Due to this, sales of \$ 162,558.34 were achieved this month, a value that exceeded all months of the year in terms of online sales.

Graph No. 17 Online sales year 2017



Source: Departamento de ventas Colineal Corp.
Made by: Delgado Paula

The category with the highest contribution margin to the company was the complements (furniture) and bedrooms, both with 57%. The ones that contributed the least were kitchen accessories and bar accessories. (See annex 2). Regarding the number of transactions per city in the year 2017, the largest amount through this modality of online sales were from the cities of Quito and Cuenca with an average ticket per sale of \$ 500 among all cities (See Annex 3).

CHAPTER 3: ANALYSIS OF THE IMPLEMENTED MODEL

Introduction

In order to analyze the B2C e-commerce model implemented by the company Colineal Corp in the periods 2016-2017. This last chapter will analyze the performance of the model through variables such as traffic and visits to the website. Likewise, it will be possible to know what is the perception of the customers regarding the online store to improve the service and generate more sales through this modality of sale through e-commerce

To determine the performance of the online store, the main metrics to measure the effectiveness of the model will be described. When talking about metrics, reference is made to the most relevant actions that impact on website traffic. Analyzing the results obtained will help determine which are the main actions that impact the performance of the virtual store. At the same time, it will allow to know with accuracy some data about the performance of the consumer, what happens with the visitors and clients, the origin of the potential customers, type and number of abandoned products that did not make the purchase and the real rate of conversion.

Through these variables the company can obtain a global overview regarding the effectiveness of the online store. With the data obtained, it will be possible to improve and see which areas can be changed or improved in order to make the business work better. At the same time, it can create an action plan so that the model generates more sales and can provide a better service to online customers. All this, will allow greater confidence on the part of the consumers that will be translated by loyalty to the brand so that this sales channel through electronic commerce continues to develop.

On the other hand, it will analyze what the perception of users is regarding the e-commerce model implemented by the company Colineal Corp. Through surveys aimed at online shopping customers, it will be possible to know about their opinion. For information on the effectiveness of the online store, quantitative research will be used. The questions addressed to the clients will be objective and the Likert Scale will be used as a survey format. At the same time, the data obtained will be tabulated and analyzed, in order to know the degree of satisfaction of the virtual store at the time of purchase.

3.1. Performance evaluation of the online store

Although, having a web platform where products can be placed and displayed is vital for the creation of the online store for continuous improvement, it is necessary to evaluate the results obtained in the periods 2016-2017 in relation to the e-commerce model implemented by Colineal. To measure the performance of the virtual store, there is a variety of tools, which allow to monitor and analyze data.

Companies use Google Analytic or SimilarWeb in order to measure website traffic and performance. Likewise, social networks play an important role, since they also provide statistics regarding the behavior of customers and their interaction in the online store. Therefore, for the following analysis, the metrics proposed by Karina Padilla, Publicity and Public Relations Degree from the *Universidad Veracruzana de México*; because it is considered relevant for the analysis of the present investigation whose variables are traffic and performance, which will be explained below.

The present analysis and evaluation of the performance of Colineal's online store was carried out through quantitative research through interviews with Engineer Roberto Maldonado, Manager of Electronic Commerce of the company. In this way, it was possible to obtain information and data for the construction of the metric in order to evaluate the e-commerce model implemented by the company. See Annex 5.

3.1.1. Traffic

It is important to know exactly the number of people who entered the website, the time they stayed in the website and the number of users who came to buy. Since this will allow to establish the percentage of users who bought vs the total of people who entered the store online. Approximately 150,000 users enter the Colineal website quarterly, which remains about 2:30 minutes. The purchase conversion percentage is 0.28%; that is to say that of all the users who entered 420 made the purchase.

When analyzing traffic, it is also important to know the sources from which the users come. Which are: city, search, social traffic and advertising.

- **City**

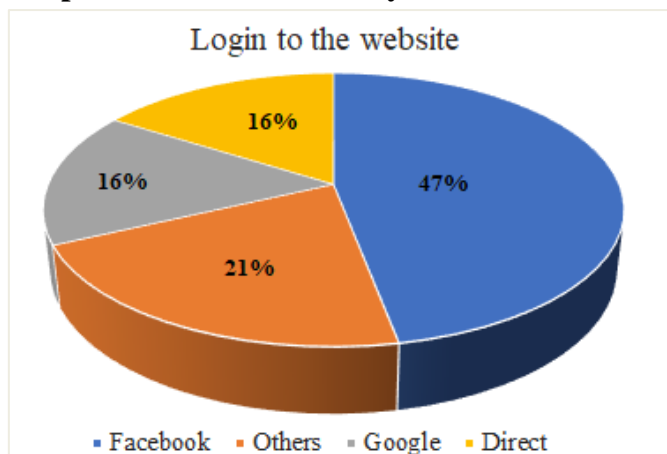
Knowing where purchases are made, is important to develop the marketing strategy, since shopping habits can vary among cities. The largest percentage of online purchases

of Colineal is the city of Quito with 38%, 28% is not defined by city but they integrate different and 10% of purchases are made from the city of Guayaquil.

- **Search**

It is important to determine the way in which consumers accessed the website to identify the most used channel and thus intensify communication and advertising campaigns or in certain cases stop those that are not effective. Users can access the website directly, through social networks, search engines, references or through email marketing. 47% of users enter the Colineal website through Facebook, 21% access the site through channels such as email, references, links, digital catalog and other means managed by the company to inform about the store in line. Also, 16% enter through the Google search and with the same percentage access the company's site, directly by typing the URL www.colineal.com.

Graph No. 18 Forms of entry to the website of Colineal



Source: Departamento de e-commerce Colineal Corp.
Made by: Delgado Paula

- **Social traffic**

In order to develop promotion strategies, it is necessary to analyze the traffic generated by social networks and the content that each one captures to determine which networks are the most effective. Colineal uses different social networks to advertise its products, each one fulfilling a different function to attract certain consumers. Facebook is the network that generates the most traffic with 47% and Instagram 2%. As for the content that generates more hook in each social network are promotions and discounts at the

time of advertising and articles in blogs. The following table indicates the social networks that the company manages and what is the content of each one,

Table No. 3 Social networks used by Colineal and its content

NAME OF THE SOCIAL NETWORK	CONTENT
Facebook https://www.facebook.com/Colineal.EC/	It publishes viral content, meaning that a mass publication or commercial message is disseminated and shared by users. In addition, it stimulates public opinion by inviting its followers to debate through comments.
YouTube https://www.youtube.com/user/ColinealEC	Through this network, videos are uploaded of the promotions that the company has made, as well as the behind the scenes of each promotion. You can also find a tutorial on how to buy on the website of Colineal.com
Twitter https://twitter.com/Colineal_ec	Through this social network, the company shares the latest news and products visually, using photos, gifts and hashtags in the tweets. Hashtags include links that direct the user to the website so they can have more information.
Snapchat https://www.snapchat.com/add/colineal.ec	The company uses Snapchat to post images and videos using different filters or animations that disappear after a programmed time, the contents can be shared publicly or by private messages. This channel is especially effective to reach the segment of Millennials, between 15 to 29 years.
Pinterest https://www.pinterest.es/colineal/	Through Pinterest, you can share infographics, photos and even videos, people use it as a catalog of ideas. This social network is compared to a wall cork where photos are hung with a "pin", so Colineal uses to upload

	their digital catalog to display their products and at the same time photos so users can keep their ideas.
Instagram https://www.instagram.com/colineal/?hl=es	Colineal uses Instagram to publish its products and offers through photos, where people can follow the page and be aware of the company's news. In addition, using the #Colineal hashtag users can see all the publications that the company or customers have published through a quick and direct search. Through this social network, the company also publishes instant images and videos called InstaStories, fulfilling the same Snapchat function.

Made by: Delgado Paula

- **Advertising**

To promote the online business, it is essential to establish the most effective advertising strategies. Thus, the company can know the effectiveness of the investment it makes, since most of the ads are handled by controlled budgets in relation to the number of clicks. For online sales, Colineal advertises through social networks, Google AdWords, email (informative and action) that are frequently analyzed in order to determine which are functional in relation to the traffic generated in the store and visits.

3.1.2. Performance

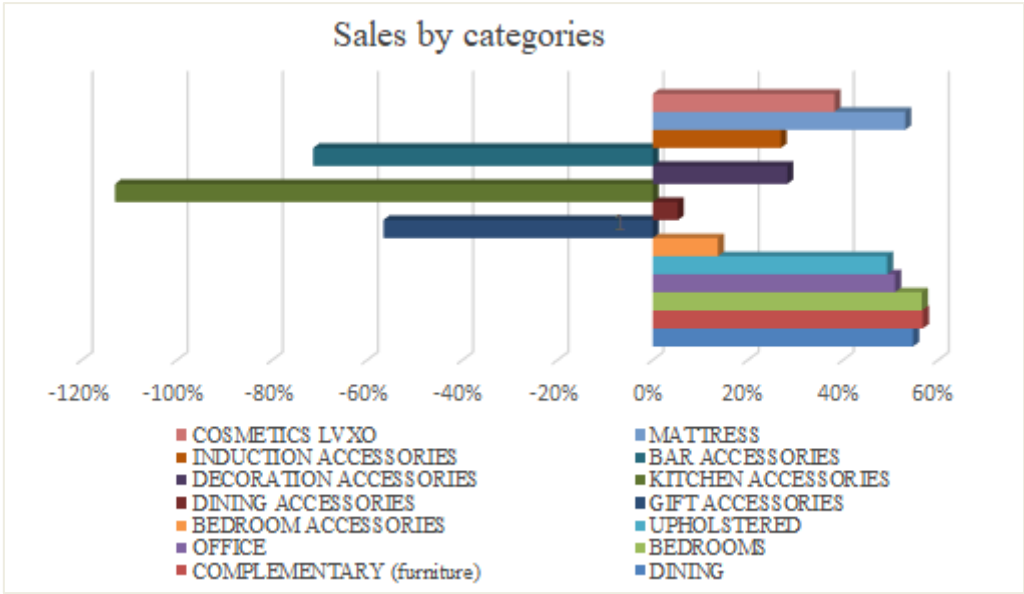
In order to determine the performance of the online store, it is essential to analyze what are the main factors that influence its efficiency to adjust the strategies and thus increase the sales of the online store.

- **Purchase percentage**

It is important to determine which products are the most popular and which are not easily sold, as well as their percentage of purchase. The best-selling products in the online store are the rooms with 57%, the complementary furniture that represents 57% and the dining rooms 55%. However, products that have a very low contribution margin

and are not easily sold are kitchen accessories with a negative percentage of -113%, bar accessories -71% and gift accessories with -57%. As shown in the following graphic,

Graph No. 19 Web sales by categories



Source: Colineal sales data - year 2017

Made by: Delgado Paula

- **Clicks and promotional visits**

Through this measurement, it is possible to determine the effectiveness of the promotions made on the website to generate sales. For every ad that Colineal publishes there are approximately 3000 users who click and see it.

- **Shopping cart tracking**

Through this metric the company can identify those products that were added and removed from the shopping cart. In order to detect the existence of certain shortcomings in the offer and to correct them. Based on this, the products that were added and subsequently removed from the car were the Dreka Sofa, Recliner Charlie and the Westing Room. However, it depends on the offer and promotion to determine which products are abandoned.

- **Time**

Analyzing this metric, it is possible to determine the time that consumers stay on the web page, it is also possible to establish how long it took them to make the purchase. The users stay on the website approximately 2:30 minutes and to make the purchase, it

usually takes 8:00 minutes. However, the data is very variable because there are users who take more or less time to buy on the website

- **Re-purchase**

It is essential to know the percentage of customers who return to the online store and return to buy. 30% of people who bought through the website bought again. It is necessary to follow up the clients to know their preferences and level of satisfaction with the online store.

3.2. Perception of clients through surveys

With the purpose of knowing the opinion of the clients in relation to the e-commerce model implemented by the Colineal company, a certain number of clients who bought through the website between 2016-2017 were surveyed. With the purpose of knowing their perception about the online store, the purchase process and other aspects to determine the effectiveness of the model analyzed.

3.2.1. Sample

To determine the sample size of the population to which the surveys were applied, the following statistical formula was used:

$$n = \frac{k^2 * p * q * N}{e^2 * (N - 1) + k^2 * p * q}$$

N: Population

n: sample

p: Probability in favor

q: Probability against

k: Confidence level

e: Sample error

Data: N= 35 p = 0,5 q = 0,5 k = 95% (1,96) e = 5%

Application:

$$n = \frac{1,96^2 * 0,5 * 0,5 * 35}{0,05^2 * (35 - 1) + 1,96^2 * 0,5 * 0,5} = \frac{33,614}{1,0454} = 32$$

Applying the formula, the sample size was 32, so based on this data and with the purpose of obtaining information, the surveys were conducted to this number of online clients. It is important to mention that in order to have the sample, it was necessary to take the number of people who entered the website quarterly, which was 150,000 users. However, 0.28% have registered purchases through the web page, which is equivalent to 420 users. Collinear to motivate online customers to respond to the survey, made a discount of 3% for people who answer the questions when they buy a value greater than \$ 200 at the Colineal store. Therefore, the population number per week was taken which equals 35.

3.2.2. Survey format

The survey was sent to customers through Google, 9 questions were asked. The format of the questions was based on the Likert Scale, which is used in market research with the purpose of understanding the opinions of consumers. Through this scale it was possible to obtain answers with scores within a range of value in which the respondents select a single box in each question and respond according to the following options; 5 (Strongly Agree), 4 (Agree), 3 (Undecided), 2 (Disagree), 1 (Strongly Disagree). The answers in this format allowed to make the necessary measurements to know the degree of conformity of the customers who have purchased online.

3.2.3. Survey design

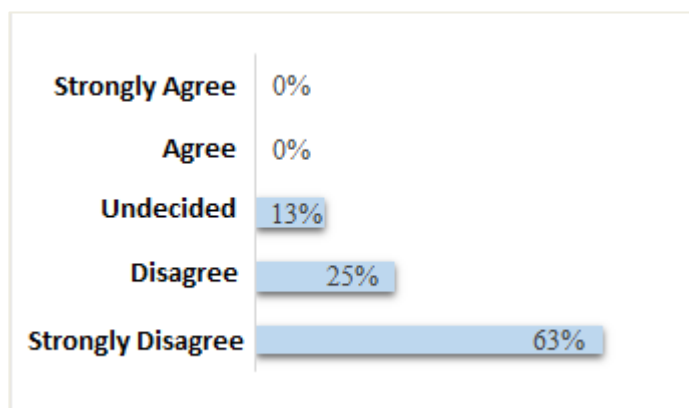
***Please check a single box on each line and respond according to the following options;**

5 (Strongly Agree), 4 (Agree), 3 (Undecided), 2 (Disagree), 1 (Strongly Disagree)

	Strongly agree	Agree	Undecided	Disagree	Strongly Disagree
How was your shopping experience?					
Do you consider that the products displayed on the Colineal website have all the details?					
Do you know the terms and conditions that the company has established? Knowing this, gives you confidence when using this shopping channel?					
Do you think that online chat is useful, if there are concerns when buying?					
Is the website fast and easy to use?					
Did your order arrive in the established time?					
Are the payment methods offered enough?					
Are you satisfied with the products of your purchase?					
Would you buy again in our online store?					

3.2.4. Results obtained from the survey

1. How was your shopping experience?



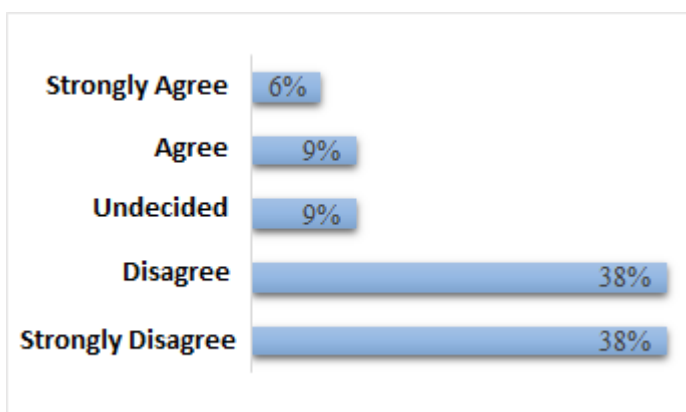
Graph No. 20 Online shopping experience

Source: Survey data - Colineal online clients
Made by: Delgado Paula

The majority of respondents agree that their experience at the time of buying at the online store was very good with 63% and 25% consider that their experience was good. 13% of customers believe that their shopping experience did not meet all their expectations. In addition, it could be determined that there is a 0% of clients that consider that their experience was bad.

Therefore, it is possible to conclude that there is a high percentage of satisfied customers and that the online store adequately meets the requirements of customers at the time of purchase.

2. Do you consider that the products displayed on the Colineal website have all the details?

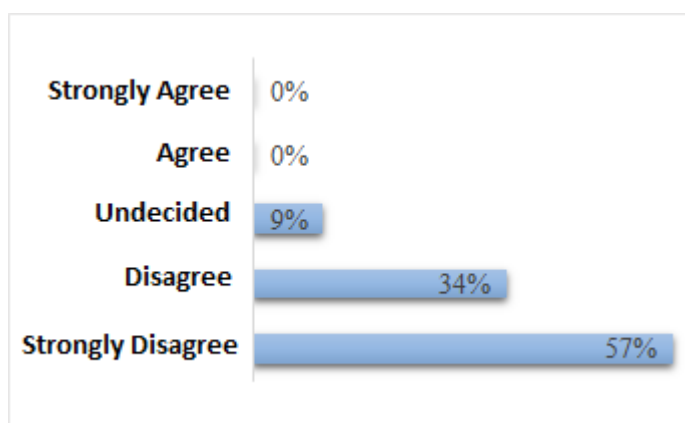


Graph No. 211 Product details

Source: Survey data - Colineal online clients
Made by: Delgado Paula

As can be seen in the previous graphic, 76% of the clients consider that the products that Colineal exhibits on the website have all the details such as dimensions, price, color, finishes, among others. However, there is a 9% of consumers who are not sure that the products displayed in the online store have all the details. On the other hand, 15% of respondents say that the products do not have the necessary specifications.

**3. Do you know the terms and conditions that the company has established?
Knowing this, gives you confidence when using this shopping channel?**



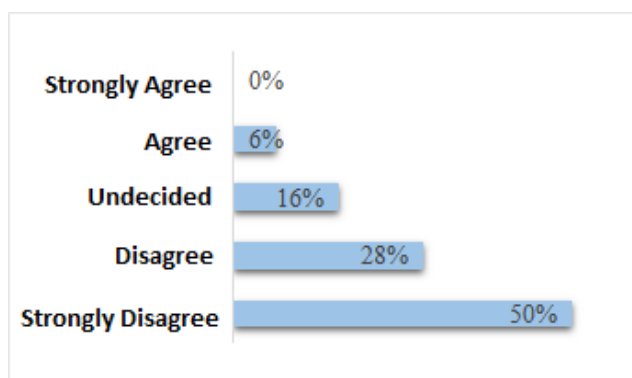
Graph No. 22 Knowledge terms and conditions

Source: Survey data - Colineal online clients

Made by: Delgado Paula

In relation to the knowledge of the terms and conditions that the company has established in this type of sale, the majority that represents 91% of buyers are aware and feel confident buying on the website because knowing that the company respects the privacy of customers, protects the data provided at the time of purchase and gives guarantees to the consumer, customers feel confident when using this purchase channel. At the same time, as can be seen in the graph, there is a 9% of users who are not sure of knowing the terms and conditions and 0% have total ignorance about the subject and feel distrustful of buying by this means.

4. Do you think that online chat is useful, if there are concerns when buying?



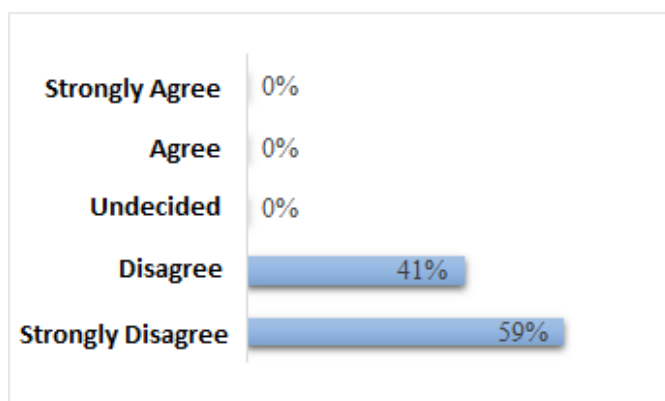
Graph No. 23 Usefulness of online chat on the web page

Source: Survey data - Colineal online clients

Made by: Delgado Paula

Regarding this variable, it can be determined that online chat, incorporated in the virtual store is a useful tool for most customers. 78% of respondents consider that it is a useful tool when they have concerns, doubts, questions and queries. However, 16% of respondents doubt the usefulness of the chat, 6% do not consider that this option is helpful when concerns have arisen. However, 0% strongly disagree that the chat helps.

5. Is the website fast and easy to use?



Graph No. 24 Ease and speed of the Colineal website

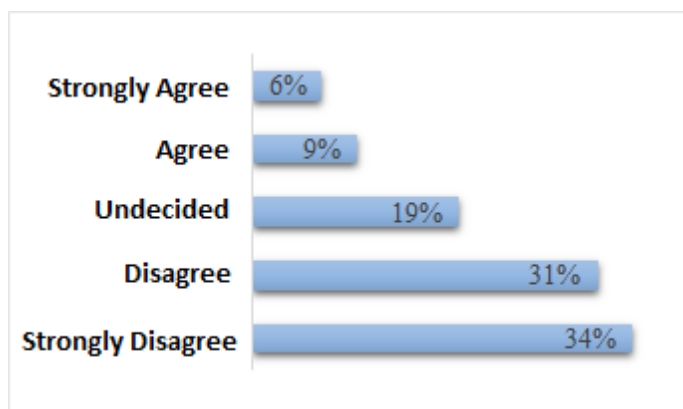
Source: Survey data - Colineal online clients

Made by: Delgado Paula

59% of customers agree that the website is fast and easy to use and in the same way 41% agree. In addition, there is a 0% of consumers who question the speed and easy use of the website. Which is a good indicator and encouraging for the company since

the development of the web platform fulfills the purpose of providing consumers with a good experience. The Colineal website is fast, easy and satisfies the customer at the moment of entering the virtual store and buying the Colineal products.

6. Did your order arrive in the established time?



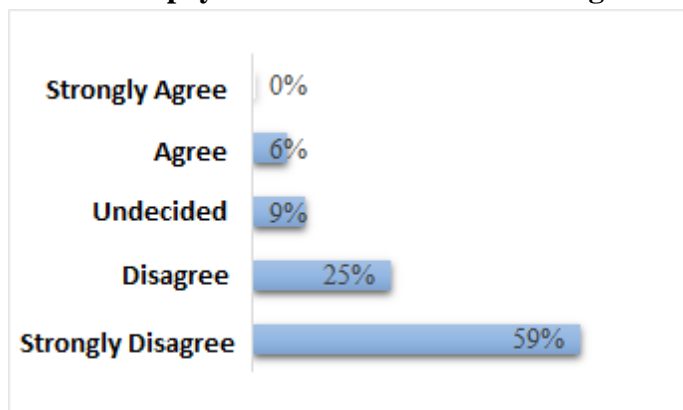
Graph No. 25 Order on time

Source: Survey data - Colineal online clients

Made by: Delgado Paula

Regarding the timely delivery of products, more than half of online customers, ie 65% believe that their purchase arrived within the established delivery time. 34% of respondents strongly agree and 31% agree that their purchase was on time. However, there are doubts from 19% of buyers when they are questioned about the delivery time of their products. Likewise, 15% believe that the delivery time established by the company was not met.

7. Are the payment methods offered enough?



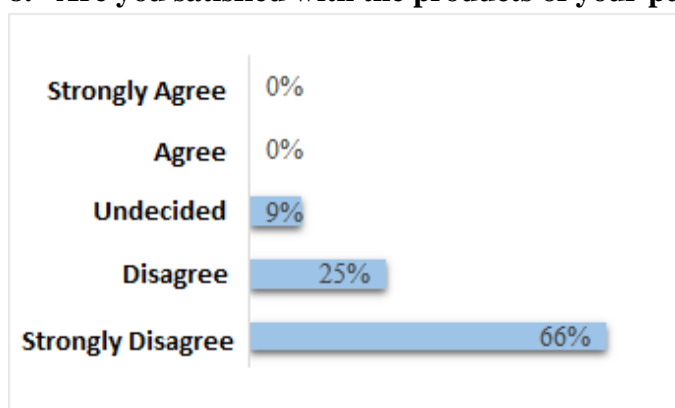
Graph No. 26 Payment methods online store

Source: Survey data - Colineal online clients

Made by: Delgado Paula

In the question about the methods of payment, the majority of clients, 59% strongly agree that the payment methods are the necessary at the time of cancellation, 25% of respondents are also satisfied with the means to cancel. However, there is a 15% who are undecided and in disagreement, possibly because there are different payment methods but at the time of cancellation can only be done by credit card. It is important to emphasize that the company has implemented different means of payment through different banking institutions, so that customers can pay with credit cards such as VISA, MasterCard, Diners Club, DISCOVER and American Express. However, it would be convenient to add other alternatives such as Payphone, Debit Cards, Deposit and Bank Transfer.

8. Are you satisfied with the products of your purchase?



Graph No. 27 Satisfaction of the products

Source: Survey data - Colineal online clients

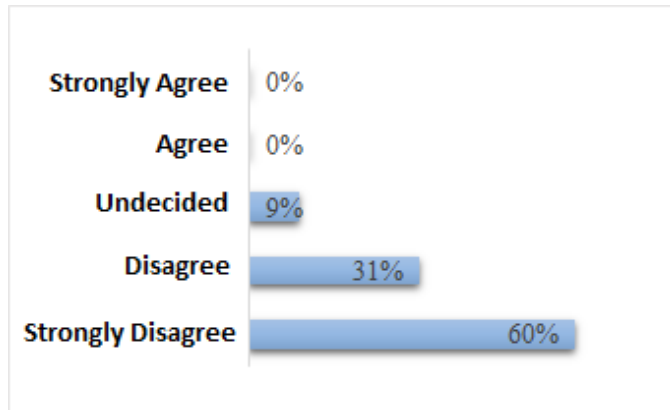
Made by: Delgado Paula

When asking customers about their satisfaction with the products they bought, 66% say they are very satisfied, 25% are happy with their purchase since they met their expectations, 9% which is a minimum percentage of customers is not sure that the products have been adequate. Also, it can be concluded that 0% do not feel satisfied with their purchase, which affirms that the online purchase met the expectations of the majority of customers when they received their products.

To improve customer satisfaction, the company could consider certain aspects such as uploading short videos so that the customer can better visualize the product. Likewise, it should be placed on Colineal's website, clear images, with zoom and in 3D so that the user can see the whole object, its size and dimensions with plan views (upwards) and (at the sides). Although there will always be a risk that the product

differs from what is seen in the virtual store when it arrives, these options will help the client have a broader picture when they make their purchases.

9. Would you buy again in our store?



Graph No. 28 Re-purchase

Source: Survey data - Colineal online clients

Made by: Delgado Paula

With respect to whether users would buy again through the online store, the majority of clients, representing a total of 91%, 60% strongly agree and 31% agree. Therefore, it can be concluded that the clients would buy their products through this sales channel. However, there is a minimum percentage of 9% who is not sure to buy their products again through the virtual store. Although, there is a high percentage of customers who intend to reacquire their products in this way, it is necessary to detect what are the causes that cause this minimum group of customers to be indecisive, in order to improve Colineal's sales through e-commerce.

3.3. Analysis of the Business to Consumer Model of the company Colineal Corp.

Based on the data obtained and exposed in this work, it can be determined that Colineal has complied with the different stages and parameters. In order to implement the e-commerce model called business to consumer "B2C", the online store was created through the website colineal.com. However, it is essential to periodically analyze the metrics described above in order to measure the effectiveness of the online business and it can be properly developed. In addition, it will allow the company to differentiate itself from the competition because, knowing better the behavior of buyers will make a difference. As the company will adapt and strive to provide customers with a better service when buying through this mode.

Regarding the data obtained on the traffic of the online store, it can be concluded that there is a very low percentage of people who entered the web store and ended up buying.

Also, it was determined that of all the 23 cities Colineal sells under this modality, the people of the city of Quito are the ones that buy the most through this modality. The most common form of access to the Colineal website is through the social network of Facebook with 47%. Regarding the social traffic of the 6 social networks that the company uses to promote, Facebook is the most used and this social network is followed by Instagram. In addition, it can be concluded that the advertising strategies that Colineal uses for online sales are through Google AdWords, social networks and mail (informative and action).

Also, in terms of performance can be concluded that the most purchased products were the bedrooms with 57% and those that were least bought under this form of sale were the kitchen accessories. In relation to clicks and visits, the ads generated by the company to promote their products have had a high number of visits by advertising. At the same time, by monitoring the shopping cart, it was possible to detect that there are products that the customer adds and then removes them from the shopping cart. With respect to time, it can be concluded that users spend very little time browsing the Colineal website due to certain factors. Also, it was verified that with regard to repeat purchase there is a 30% of consumers who bought back, considering this customer loyalty to the brand.

In terms of sales, it can be concluded that Colineal with the implementation of this B2C e-commerce model has faced a great challenge when venturing into the online sales of its furniture and household items. At the same time, the company has broken the paradigm that furniture and household items are the category that is least used to sell online. According to INEC data for 2016, only 9% of 100% buy this type of products. However, the company, through its online store in the last quarter of 2016, managed to register sales of \$ 103,651.00 and sales of \$ 282,822.13 in the last quarter of 2017, almost tripling sales. Therefore, it was determined that with respect to 2016, when the implementation of this type of sale began, the company has tended to learn from its experiences by adapting to this new modality. Improving all of its processes, which is reflected in superior sales in 2016 compared to 2017.

Conclusions

Through this research it can be concluded that e-commerce is currently widely used around the world by both businesses and companies, whether they are small or medium-sized. Every year the use of e-commerce to acquire goods and services grows in large percentage. As mentioned in the first chapter of this paper, Ecuador has also started to use electronic commerce as a sales channel. However, it is still in the process of development as there are certain aspects that limit its progress. The main causes are given by the lack of promotion and dissemination by companies as the insecurity of users at the time of purchase. Regarding the local situation in the city of Cuenca, SMEs are taking advantage of this sales channel using electronic means, but there are few large companies in the area that have ventured into electronic commerce.

However, the company Colineal Corp has opted to sell its furniture, accessories and other products under the B2C e-commerce model or known as business to consumer. Through this analysis, it can be concluded that since its implementation in 2016, the company has worked to comply with all the processes necessary to create the online store through its website so that users can buy their products. In addition, the company has used social networks as a means for customers to know the promotions, go to the website and be closer to the company. Also, Colineal has established different means of payment in the web page.

Also, through this investigation it is concluded that Colineal Corp is one of the pioneer companies in the city of Cuenca in the sale of furniture and household items through e-commerce. In addition, this company has met all the parameters for the creation of the online store. Being located at an optimal level for the development of this type of online business called B2C. However, as indicated in the theoretical framework, the growth of this model in Latin America will continue to develop exponentially, so it is important that Colineal creates improvement plans to meet the challenges of e-commerce in order to become a model to follow for other companies at local, national and international level since the brand also has a presence in Peru and Panama.

The company has fulfilled all the processes for the operation of the online store and the e-commerce model itself. Therefore, it is necessary that the company periodically perform an analysis of the online store to know how sales are, the perception of users and raise new strategies for potential customers of the online store. It is important to emphasize that although sales are not abysmal, the growth it has had from one year to the next are good and show a good future projection.

Recommendations

- The company must establish strategies so that the large number of users who enter the Colineal website are not only visitors but also, they become buyers.
- Although, Quito is the city that buys more by this channel, it is essential that the company develops marketing strategies for the other cities since shopping habits vary from city to city.
- The main access to the website is through Facebook but there is a high percentage not defined, so it is necessary that Colineal determines how users' access to the web page and which are not being effective to eliminate them or strengthen those that suit the company.
- It is necessary for the company to analyze if it is convenient to keep those products with a very low contribution in their online store or those that are not easily sold.
- Because, there are items that users add and then remove from the shopping cart, it is necessary that Colineal detects which are the errors in the offer to be able to correct them.
- Colineal should look for strategies that motivate users to stay in their online store for longer and also create ways for customers to come to buy and not just browse the website.
- It is necessary for the company to track its customers to know what their preferences are and to know their level of satisfaction regarding the online store. All this, in order to motivate customers to buy again and become regular customers.
- Colineal must improve its procedures so that indecisive customers have a satisfactory shopping experience.
- The company must improve its online chat to be more effective in responding to the concerns of customers at the time of purchase.
- Colineal must establish strategies to improve the delivery time of the products.
- The company must improve its payment system, since there are options that cannot be used when paying.

Annexes

Annex 1. Terms and conditions of the online store Colineal Corp.

1. ACCEPTANCE OF DIGITAL SERVICES

Colineal Corp, through its information and communication technology, has implemented several services through its digital channel for the exclusive benefit of our clients. These services represent a channel of communication and additional purchases for the Client and have been created with the purpose of facilitating the realization of queries, operations and transactions established in a menu of options.

The "**Online Store**" service allows you to make inquiries or purchases of all the services that **Colineal Corp** provides to its customers, such as the sale of furniture and home and office accessories. The collection service through this channel will be provided by **COLINEAL CORP** that for reasons of this document will be called the "**PROVIDER**", which will be provided to the user of the service. Hereinafter referred to as "**CLIENT**" under the terms and conditions provided in this contract.

Before using the aforementioned service "**Online Store**", the "**CLIENT**" must have previously accepted the **AGREEMENT FOR USE OF THE SERVICES OF COLINEAL CORP** and having made this registration in the web portal in which he should have entered an email address electronic. Among other data valid to date, through which may be located if necessary and receive notifications of the service provided.

It is understood that the "**CLIENT**" after having made the registration of Service, currently has a valid electronic key to access the digital services of **Colineal Corp**. When entering and using the service "**Online Store**", published on this website, the "**CLIENT**" expresses his will and accepts the terms and conditions established by clicking on the "I accept all the terms and conditions of the service" box. If the "**CLIENT**" does not agree with these terms and conditions, do not use this site. Because it is understood that there is an agreement in common between the parties both of the "**PROVIDER**" and by the "**CLIENT**" to make use of the aforementioned services.

1. MODIFICATIONS

The "**PROVIDER**" may modify as many times as necessary, the terms and conditions established in this contract in order to clarify them without any formality. Each time the "**PROVIDER**" makes a change to these terms and conditions will be informed on the home page. It must be the responsibility of the "**CLIENT**" to review them and click again on the "I accept all the terms and conditions of the service" box. If the client does not click on the box mentioned above, it will be terminated at that moment and the web services will not be activated, without incurring any responsibility for the "**PROVIDER**".

2. COSTS The "**PROVIDER**"

Currently it offers this service for free, without it limit in the future to its modification, which will be notified through this web page.

3. SERVICES

The available services are those that are enabled at the time of their access in the Web site available by the "**PROVIDER**".

4. CONFIDENTIALITY

The use of the Online Store that the "**PROVIDER**" makes available to the "**CLIENT**" is the sole responsibility of the user which is considered as private information. The "**PROVIDER**" is not responsible for the mishandling of the information provided to the "**CLIENT**".

6. PRIVACY POLICY

For the provision of this service, the "PROVIDER" may collect registration information. This information will be passed on to third parties when this is required by law or by legal actions for which this information is relevant. As for example, when it is a court order or on purpose to prevent a crime or fraud. In which case it will be understood that the "CLIENT" has given his permission to reveal the constant information for the execution of the service.

7. PROPERTY

The "CLIENT" accepts that the "PROVIDER" is the owner and owner of the personal and real rights over the Database that will be provided in these digital services.

8. TERMINATION

The "CLIENT" has the right to cancel or terminate the use of this consultation service or online store and all the aforementioned services at any time. Once the subscription has been canceled, the "CLIENT" will not have the right nor will he be able to continue using this online store channel.

However, it may use all the different consultation and purchasing channels available to the "PROVIDER". The Online Store service through the website of Colineal Corp "ONLINE SHOP" will be available 24 hours a day, 7 days a week and 365 days a year.

* However, the service may be interrupted when it is necessary or convenient to carry out maintenance operations on the network.

9. INDEMNITY

The "CLIENT" undertakes to hold harmless from all claims or demands to the "LENDER", its shareholders, officers, agents and employees, including attorneys' fees. Driven by a third party because it arises as a result of the use by the same of the service that has been provided, its violation of the terms and conditions, or the violation of any right of a third party.

10. COMMERCIAL

The "CLIENT" has the right to use the consultation service or online store as a personal service. The "CLIENT" is also obliged to use each of the authorized services responsibly.

11. PROHIBITIONS

The "CLIENT" undertakes not to perform any of the following acts.

- Pretend to be a person;
- Violate any national law through the, or in the service;
- Causing inconvenience or disturbing others through the, or in the service;
- Collect or store data from or about third parties;
- Use the service in any way that is not expressly permitted;
- Reproduce, duplicate, copy sell or exploit for any commercial purpose any part that by use or access is available to the service;
- Use injurious, intimidating or slanderous terms or expressions contrary to good morals.

12. JURISDICTION AND COMPETITION

The legislation applicable to this contract is Ecuadorian. In the case of claim with respect to the relationship or execution in compliance with the conditions set forth in this document or the use of the service. Including without limitation, the claim about the validity, interpretation, enforceability or breach of said conditions. Finally, it will be resolved by the competent judges of the Republic of Ecuador.

Source: <https://colineal.com/pages/terminos-y-condiciones>

Made by: Delgado Paula

Annex 2. Web sales by category year 2017

	QUANTITY ITEMS	TOTAL SALE PRICE	SUMA EXTDCOST	UTILITY	CONTRIBUTION MARGIN
DINING	1122.5	238453.25	107947.95	130505.3	55%
COMPLEMENTARY (furniture)	347.5	111077.05	48027.325	63049.725	57%
BEDROOMS	1192.5	420085.05	182416.275	237668.78	57%
OFFICE	95	27754.275	13617.15	14137.125	51%
UPHOLSTERED	980	552906.875	280576.325	272330.55	49%
BEDROOM ACCESSORIES	1497.5	44556.4	38446.6	6109.8	14%
GIFT ACCESSORIES	830	9337.375	14621.375	-5284	-57%
DINING ACCESSORIES	965	12604.35	11941.475	662.875	5%
KITCHEN ACCESSORIES	852.5	6229.1	13267.9	-7038.8	-113%
DECORATION ACCESSORIES	2582.5	126997.675	91105.375	35892.3	28%
BAR ACCESSORIES	692.5	5322.85	9121.075	-3798.225	-71%
INDUCTION ACCESSORIES	5	1128.6	825	303.6	27%
MATTRESS	170	91424.05	42899.775	48524.275	53%
COSMETICS LVXO	70	597.4	369.15	228.25	38%
TOTAL 2017	11402.5	1648474.3	855182.75	793291.55	48%

Source: E-commerce data Colineal Corp.
Made by: Delgado Paula

Annex 3. Number of transactions per city.

Number of transactions per city	
City	Nº
Quito	624
Cuenca	306
Guayaquil	288
Loja	88
Manta	61
Portoviejo	48
Machala	47
Ambato	37
Riobamba	23
Total number of transactions	1522

Source: E-commerce data Colineal Corp.
Made by: Delgado Paula

Annex 4. Web sales per day / month (2017)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
January	-	-	-	-	2,658.50	-	-	-	-	-	-	-	86.85	-	-	3,327.63	-	-
February	2,897.20	-	3,480.45	-	-	-	875.00	1,182.25	-	2,801.08	-	-	-	3,096.43	703.95	4,682.03	9,591.93	-
March	-	3,615.05	-	-	-	3,822.38	267.88	1,837.83	1,750.00	956.15	-	-	245.63	-	-	-	1,313.80	-
April	1,313.80	1,206.15	1,085.53	-	-	-	-	1,026.68	460.63	4,049.83	20,751.95	78,551.73	1,638.70	131.58	2,170.98	259.85	656.25	468.75
May	-	4,335.15	-	8,345.93	33,353.70	5,258.80	7,628.78	1,096.68	118.20	2,326.70	6,030.78	-	-	-	13,740.45	-	3,491.10	1,953.95
June	1,613.18	5,110.15	1,042.08	12,193.20	7,720.88	217.98	2,848.25	285.53	-	875.45	2,846.90	4,286.63	11,116.58	18,600.55	41,332.23	22,727.38	-	998.28
July	1,456.15	4,487.25	10,566.55	27.40	3,786.15	919.85	2,898.45	-	96.70	1,305.23	38.38	-	267.78	2,841.85	-	-	18,760.15	18,123.33
August	5,167.15	8,743.23	1,074.13	140.63	-	32.15	1,312.95	3,053.48	1,997.78	1,513.40	-	246.88	-	2,085.15	715.85	-	1,647.33	4,420.33
September	1,061.90	3,908.93	9,252.23	7,899.68	264.08	-	-	-	-	-	2,132.83	10,758.43	11,888.68	38,480.85	14,853.15	3,801.13	729.03	5,794.18
October	-	620.43	1,288.28	902.65	-	1,176.30	2,229.88	853.80	-	4,467.85	301.35	2,813.08	3,877.55	-	-	5,090.00	38,937.83	56,094.25
Novemeber	803.58	-	-	-	-	2,274.90	916.75	935.95	1,275.40	3,480.25	1,505.03	1,405.15	1,248.45	3,971.10	1,910.33	2,098.45	552.48	333.93
December	3,290.80	-	-	2,899.63	5,556.48	767.85	4,730.90	2,047.13	550.00	-	-	1,485.00	3,321.43	1,372.85	5,795.78	-	3,425.88	2,885.25

	19	20	21	22	23	24	25	26	27	28	29	30	31	Total
January	1,313.63	2,359.10	-	-	-	-	-	-	1,484.10	-	-	-	1,875.00	13,104.80
February	-	15,763.20	8,169.43	878.30	883.38	4,133.53	-	-	13,836.10	7,404.05	2,517.00	3,218.90	5,041.13	91,155.30
March	-	318.43	-	-	235.08	-	-	-	-	-	-	-	-	14,362.20
April	59.20	1,248.35	4,182.73	-	491.78	2,384.50	412.28	233.33	-	3,772.23	-	73.70	-	126,630.45
May	-	596.50	-	4,282.90	1,971.50	294.73	-	-	-	-	153.50	4,640.65	780.70	100,400.68
June	10,468.00	2,717.55	130.50	5,635.65	1,389.25	-	-	-	4,964.85	3,984.23	1,824.35	1,912.03	-	166,841.60
July	41,278.33	66,646.68	49,753.25	13,264.68	-	11,287.00	4,102.13	2,243.78	4,673.35	1,530.48	-	-	-	260,354.85
August	239.73	3,533.43	21,982.98	28,227.28	7,152.45	3,219.43	4,925.93	732.53	2,409.33	1,111.60	4,489.90	890.63	1,613.85	112,679.43
September	-	6,402.93	3,780.55	1,366.08	68.30	-	3,956.50	1,021.90	4,000.98	2,736.40	2,007.25	-	-	136,165.93
October	74,214.45	10,159.15	39,134.95	-	87,418.23	3,118.30	19,637.08	4,347.10	2,048.33	1,482.15	-	3,787.73	-	364,000.68
Novemeber	-	3,513.63	1,472.33	4,079.28	403.93	9,155.58	-	8,272.43	32,200.50	54,646.75	19,582.65	5,541.38	-	161,580.15
December	10,276.08	7,533.08	22,098.63	1,802.25	5,737.05	1,073.65	-	7,746.80	-	11,279.00	-	-	1,134.60	106,810.08

Source: Company Colineal Corp.

Annex 5. Interview Manager e-commerce

QUESTIONS	ANSWERS
<ul style="list-style-type: none"> ▪ Number of people who entered the site, time they stayed and if they came to make a purchase 	No. of people who enter the quarterly site 150,000 + - Time of stay: 2:30 + - Purchase / conversion 0.28%
<ul style="list-style-type: none"> ▪ Percentage of purchases per city? 	Quito 38% Not defined 28% Guayaquil 10%
<ul style="list-style-type: none"> ▪ Forms of access to the Colineal website (URL, search engines, email, links or social networks). 	Facebook 47% Direct 16% Google 16%
<ul style="list-style-type: none"> ▪ Advertising strategies used for online sales. 	Social networks, Google AdWords, email (informational and action)
<ul style="list-style-type: none"> ▪ Of the social networks used, what is the percentage of people who entered? 	Facebook 47% Instagram 2%
<ul style="list-style-type: none"> ▪ What is the content that generates the most connection in each social network? 	Advertising (promo) and blog (article)
<ul style="list-style-type: none"> ▪ Number of clicks and views of the promotions? 	3000 approximately per ad
<ul style="list-style-type: none"> ▪ Products that were added to the shopping cart and also those that were removed from it. 	* Depends on the offer and promotion Dreka sofa Recliner Charlie Westing Room
<ul style="list-style-type: none"> ▪ Time that users stay on the site and how long it takes them to make a purchase 	Approximately 2: 30 minutes of permanence 8:00 minutes for purchase (very variable data)
<ul style="list-style-type: none"> ▪ What is the percentage of customers who return and make more purchases? 	They return 30% (data in development, new website)

Source: Interview with the e-commerce Manager of Colineal Corp.

Made by: Delgado Paula

Bibliography

- Alvares, L. (1998). *Regulación del Comercio Electrónico*. Lima: Universidad de Lima.
- Cámara Ecuatoriana de Comercio Electrónico . (9 de Noviembre de 2017). *ANTECEDENTES Y SITUACIÓN DEL E-COMMERCE EN ECUADOR* .
Obtenido de
file:///C:/Users/Pool/Documents/Paula/TESIS/1%20Capitulo/Presentacion-Proyecto-ECommerce-Final-NOV2017.pdf
- Cisneros, P. (04 de junio de 2017). Pymes utilizan Internet para sus actividades . (E. Tiempo, Entrevistador)
- Colineal. (2018). Obtenido de <https://colineal.com/>
- Comisión de Comunidades Europeas. (1997). Definición de comercio electrónico. *Iniciativa europea de comercio electrónico*, (págs. 7-10). Bruselas.
- Davara Rodríguez, M. Á. (2004). *Factbook de Comercio Electrónico*. Pamplona: Arazandi.
- De la Garza, M. (2000). En *Internet: el medio inteligente* (pág. 229). México: Compañía Editorial Continental.
- Declaración sobre el Comercio Electrónico Mundial* . (s.f.). Obtenido de c:
https://www.wto.org/spanish/tratop_s/ecom_s/ecom_s.htm
- El Tiempo. (04 de junio de 2017). *Pymes utilizan Internet para sus actividades* .
Obtenido de 04 de Junio de 2017.:
<https://www.eltiempo.com.ec/noticias/empresarial/11/414216>
- García, J. P. (8 de Julio de 2016). *Las cuatro fases del e-commerce*. Obtenido de
http://www.claseejecutiva.cl/wp-content/uploads/2016/07/Curso-Consumidor-en-el-mundo-digital-Clase-Ejecutiva-UC_02.pdf
- Hootsuite. (24 de Enero de 2018). *Digital in 2017: Global Overview*. Obtenido de
<https://wearesocial.com/special-reports/digital-in-2017-global-overview>

- Iacobucci, D. (07 de Julio de 2014). *Comercio electrónico: los factores críticos para el futuro*. Obtenido de América Economía : <https://www.americaeconomia.com/analisis-opinion/comercio-electronico-los-factores-criticos-para-el-futuro>
- INEC. (2016). *Instituto Nacional de Estadísticas y Censos*. Obtenido de <http://www.ecuadorencifras.gob.ec>
- Laudon, k. (2009). *e-commerce negocios, tecnología, sociedad*. México: Pearson Educación.
- Ley de Comercio Electrónico, Firmas Electrónicas y Mensajes de Datos. (2008). Quito.
- Maldonado, R. (13 de Julio de 2018). Métrica para evaluar la tienda en línea de Colineal. (D. Paula, Entrevistador)
- Ministerio de Telecomunicaciones y de la Sociedad de la Información. (2017). *Indicadores y estadísticas*. Obtenido de Observatorio TIC: <https://observatoriotic.mintel.gob.ec/estadistica/>
- Moreno, J. (3 de Enero de 2018). El comercio electrónico, una opción para dinamizar la economía . (E. Tiempo, Entrevistador)
- OMC. (Septiembre de 1998). *Comercio Electrónico*. Obtenido de Declaración sobre el Comercio Electrónico Mundial: https://www.wto.org/spanish/tratop_s/ecom_s/ecom_s.htm
- Organización para la Cooperación y el Desarrollo Económico. (2016). *Consumer Protection in E-commerce*. Obtenido de OECD Recommendation: <http://www.oecd.org/sti/consumer/ECommerce-Recommendation-2016.pdf>
- Vega, F. (13 de Abril de 2018). *Estado de Social Media en América Latina 2018*. Obtenido de comScore: <https://www.comscore.com/Insights/Presentations-and-Whitepapers/2018/Estado-de-Social-Media-en-America-Latina-2018>