



UNIVERSIDAD DEL AZUAY

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Faculty of Law

School of International Studies

**Internationalization project for mat collars and tupos
manufactured by Saraguro artisans through an online store.**

Graduation thesis prior to obtaining a Bilingual Bachelor in
International Studies minor in Foreign Trade.

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Dedication

Dedicated to the hard work of the artisans who strive every day to maintain alive their traditions and customs, rescuing them from a globalized world and who have been the source of inspiration for this project

To my parents, brother and grandparents for accompanying me by the hand and support me during my university years that, with good example, sacrifice and wise words have guided every step I have taken and in any stumble they were the support to endure them in the best way, motivating me always the discipline, honesty and effort, values that have allowed me develop myself as a person and during my professional preparation.

Acknowledgment

Every day I thank God for getting me up and having one more chance to live, dream, learn and more than anything to act so no day to pass in vain.

Thanks to my parents Carlos and Paulina, my brother and grandparents who are the main promoters of my dreams and goals, for giving me their confidence and making every day a reason of joy and strive more.

To my professors who with their way of teaching have inculcated me values, knowledge and skills that make me an upright person and a hardworking professional.

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Resumen

El trabajo desarrollado propone un plan de internacionalización para dos artesanías ecuatorianas, tupos y collares de estera, elaborados a mano en el cantón Saraguro, Provincia de Loja, a través del uso de herramientas de marketing internacional y comercio electrónico. A partir de un análisis global de la situación del cantón, de las propiedades y características distintivas de estos dos artículos y la definición de los medios idóneos para comercializar los productos. Una vez definidos los mercados objetivos, se definen las estrategias más adecuadas para penetrar y dar a conocer internacionalmente los productos de forma efectiva. Finalmente, se realiza una evaluación económica del proyecto, tomando en cuenta los indicadores financieros más relevantes de los objetivos de venta para la explotación internacional del proyecto.

Abstract

This project proposes an internationalization plan for two Ecuadorian handicrafts, *tupos* (traditional accessory that women use to hold their clothes) and *collares de estera* (traditional accessory that women use around the throat) manufactured in Saraguro, Province of Loja, through the use of international marketing tools and e-commerce. From a global analysis of the situation of Saraguro, the properties and distinctive characteristics of these two artifacts and the definition of the suitable means to sell the products. Once the objective markets have been selected, the most appropriate strategies are defined to penetrate and make the products internationally known in an effective way. Finally, an economic evaluation of the project is carried out, taking into account the most relevant financial indicators of the sales targets for the international exploitation of the proposal.

Introduction

Latin America and the Caribbean are regions that has always stood out for their great cultural diversity, quality raw material and the incredible productive potential that can be developed so that all the population receives a positive impact on their life quality. Despite of the favorable factors, the reality is very different in the region, especially in Ecuador. In recent years the cultural sector has begun to be properly valued. In terms of the industrial sector in the same period the search began for new ways to globally show the productive capacity of our country, and the importance of keeping the promotion of new marketing trends in the country.

E-commerce has become fundamental for all types of businesses around the world. At present, it the prevalence of technology is unquestionable as well as the impact of e-commerce that has boost the national and international market of many countries, by internationalizing products and companies, besides being a tool precisely designed to be applied in business competitiveness and new marketing trends. According to the Electronic Commerce Work Program established by the World Trade Organization (World Trade Organization, 1998), the term "e-commerce" refers to the production, distribution, marketing, sale or delivery of goods and services by means of electronic (WTO, 1998).

However, all the mentioned before is very basic, even to obtain a definition or catalog it as a discipline or a branch of international trade, since we cannot reduce the concept of electronic commerce and consider it as a simple way to carry out acts of commerce through electronic channels. However, by deepening into the subject, there are other aspects that make up and make complex the formation of an e-commerce business. Although this has roots in traditional trade and includes classical economic principles, such as the evolution of supply and demand, price, distribution, its technological condition adds unique characteristics which lead to extensive studies and appropriate strategies, becoming a successful vending system from any angle (Autonomous University of Mexico - UNAM, 2018).

The technological improvement has led to a new digital era. The imperative use of the internet and other technologies have a strong impact on both merchants and consumers. Many of the standard sales strategies and practices of the past, such as mass marketing, product standardization, mass and offline media advertising, retail sales in warehouses and other forms, were convenient for the economy of the previous century. These aspects are still significant in this digital age, but

merchants must also develop innovative strategies and skills that are conducive to the new environment (Kotler & Armstrong, 2012).

It can be said that e-commerce is one of the forms that unites international trade, because in every corner of the world, electronic commerce has progressively opened up space to exchange all kinds of goods, information, services, transactions, among others, in the minimum time possible and with the highest efficiency permissible, without letting any frontier impede it. Electronic commerce provides millions of people with comfort and meeting the customer's satisfaction of getting what they want at the door of their home. We are living the boom of e-commerce businesses, therefore, we propose a marketing model that can be useful for the internationalization of Ecuadorian products or crafts made by small producers, who in many cases are disadvantaged to sell outside the country because their minimum available capital and limited experience in export operations.

This internationalization project intends to promote mat necklaces and tupos (traditional accessory that women use to hold their clothes) at an international level, which are two handicrafts manufactured in Saraguro, Loja, Ecuador. In order to carry out the study of an establishment of an online store, bibliographic research and field study methodologies to be used, with qualitative and quantitative characteristics to achieve favorable results in merchandizing them outside Ecuador. This includes factors that must be adapted and how they will differentiate themselves from the rest, as well as being able to identify exactly which strategies are most appropriate to start the project.

First, a general analysis of the Saraguro was carried out in order to understand the situation regarding the socio-cultural, economic, political-legal and environmental aspects of this place and to delve into the reality of the saraguro artisan. The analysis is based on the Saraguro Development Plan and Territorial Planning 2014-2019, 2016 update, and other official information from the National Census carried out in 2010 as well as the SENPLADES, which suggest the path that this population can take in the aforementioned aspects.

The second chapter refers to the ways of entering international markets through electronic commerce. This encompasses the determination of the countries with the best online markets in the world, where a short list of the five countries with the greatest potential to carry out the internationalization of tupos and mat necklaces will be made. Carrying out an analysis by

geographical area, which will result in the specification of the sales target for the project. Emphasis will be placed on the concepts of the orange economy, handmade trend and fair trade movement due to the strength they are taking and the positive impacts they bring to the economies of the region.

Then, the third chapter seeks to deepen in the aspects of the International Marketing Mix that supposes the internationalization of the two handicrafts, where the form of how the business model will be executed and how the online shop will be created according to the reality and the needs of the project. In this section, ideal parameters are identified for the creation of the network, the criteria that must be taken into account, and the design of the website and its functionalities, such as the system of orders, payments and international logistics. Consequently, after creating the online store, the strategies to position the website in order to attract traffic user and raise awareness of the project internationally, as well as providing good customer service, will be determined.

Finally, an economic plan is proposed to verify the viability of the project. This consists of preparing forecasts for the next three years from the creation of the online store, taking into account the possible income, expenses, collections and payments that are given by the commercialization of the two handicrafts. Although it has a high level of risk and uncertainty, it is necessary to make good economic-financial decisions about the project, trying to find out the liquidity that the e-commerce company can have once it is operating.

Chapter 1: Internationalization diagnosis

Introduction

"The phenomenon of current globalization, in its desire to unify markets, is endangering cultural varieties, their identity, as well as deteriorating their creative capacity."

-Ko Un

This chapter focuses on describing the current situation of Saraguro artisans. It begins with a compilation of general information about the city and its culture, the legal-political, environmental, socio-cultural, economic aspects to define a clear vision of what is going on in this territory. Once the aforementioned analysis has been carried out, the most influential factors in the development of the internationalization project are analyzed through the SWOT tool, which establishes the internal strengths and weaknesses, as well as the opportunities and threats that arise in the environment.

These tools allow to answer different questions about the current scenario of Saraguro: What is the reality of its habitants? What activities generate the greatest amount of income for families? What is their level of development? Is there a need to invest more in improving Saraguro's quality life? In this way valid interpretations can be generated in order to make appropriate decisions and make the most out of the information, which is the reference for the definition of strategies and different activities of the project.

On the other hand, identifying and examining the critical aspects facing handicrafts in Ecuador will enable clear statements about the objectives to be developed, which must reflect the reality of the artisan, in addition to the strategies that allow the internationalization plan be viable and flexible for its adaptation depending on the circumstance of the artisanal sector. All this process will be the initial support for the internationalization of *mat necklaces* and *tupos*, making the results fruitful and anticipating the factors that could have the greatest impact on the website creation.

1.1 General Contextualization of the Saraguro culture

1.1.1 Saraguro General information

Geographic location

Saraguro is located to the northeast of the Province of Loja about 64 km from the provincial capital. It has 3.4° south latitude and 79.1° west longitude. The canton has a surface of 1080 km ².

Limits

North	Azuay Province
South	Loja city
East	Zamora Chinchipe Province
West	Province of El Oro

Political division

Saraguro is comprised of one urban parish, Saraguro and ten rural: Paraíso de Celén, San Pablo de Tenta, Selva Alegre, Lluzhapa, Manú, San Sebastián de Yúluc, Urdaneta, San Antonio de Cumbe, El Tablón and Sumaypamba.

Language

People from Saraguro, particularly those who live in regular contact with people who does not belong to this canton, are bilingual, they speak Quichua and Spanish naturally. Several of them, like the natives of Gera, speak Quichua exclusively and very little Spanish; however, others speak Spanish for the most part of their lives and have very little practice of Quichua. Due to the proximity of the distance between Loja and Saraguro, many Quichua terms are used in everyday conversations by the population from Loja, but most of them ignore the origin of these words. (Jiménez, 2014)

Local authorities

The Decentralized Government of Saraguro is led by the Mayor and in the rural parishes through the presidents of the GAD. Website: www.saraguro.gob.ec

AUTHORITIES		
GADMIS Members	Lcdo. Segundo Sarango (Mayor)	Mr. Manuel Armijos (Deputy Mayor)
Councilors	Ing. Ángel Pineda	Lcdo. Miguel Japón
	Lcdo. Rober Ramón	Mr. Joberman Tituana

Source: Author elaboration with data obtained taken from Plan de Desarrollo y Ordenamiento Territorial del Cantón Saraguro 2014-2019

Map

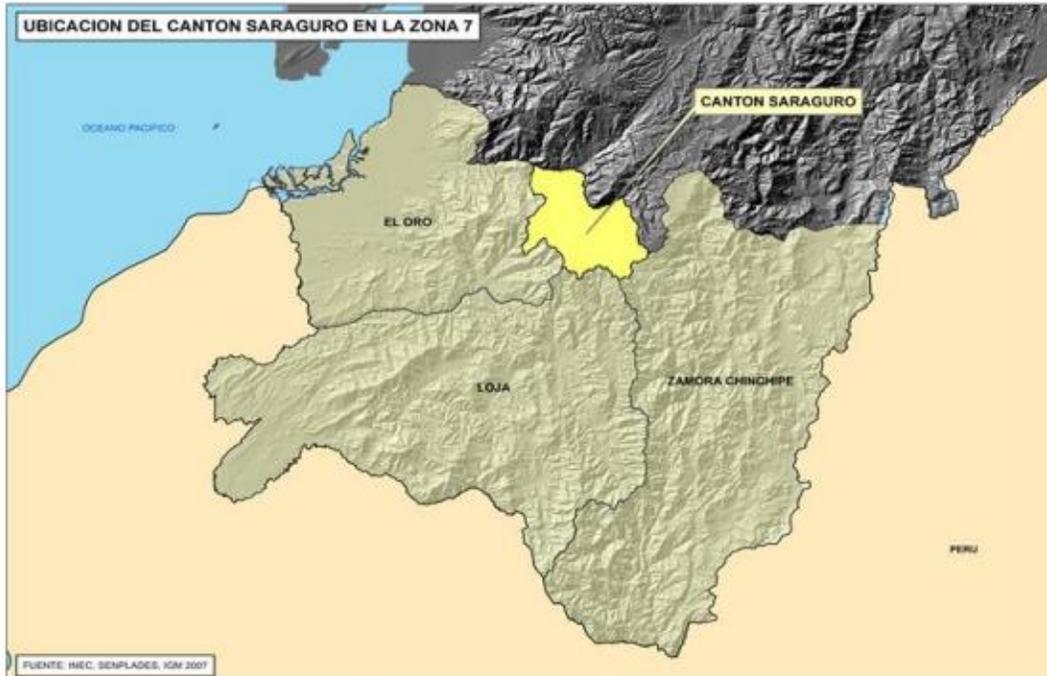


Figure 1: Location of Saraguro (Zone7)

Source: INEC - Censo de Población y Vivienda 2010

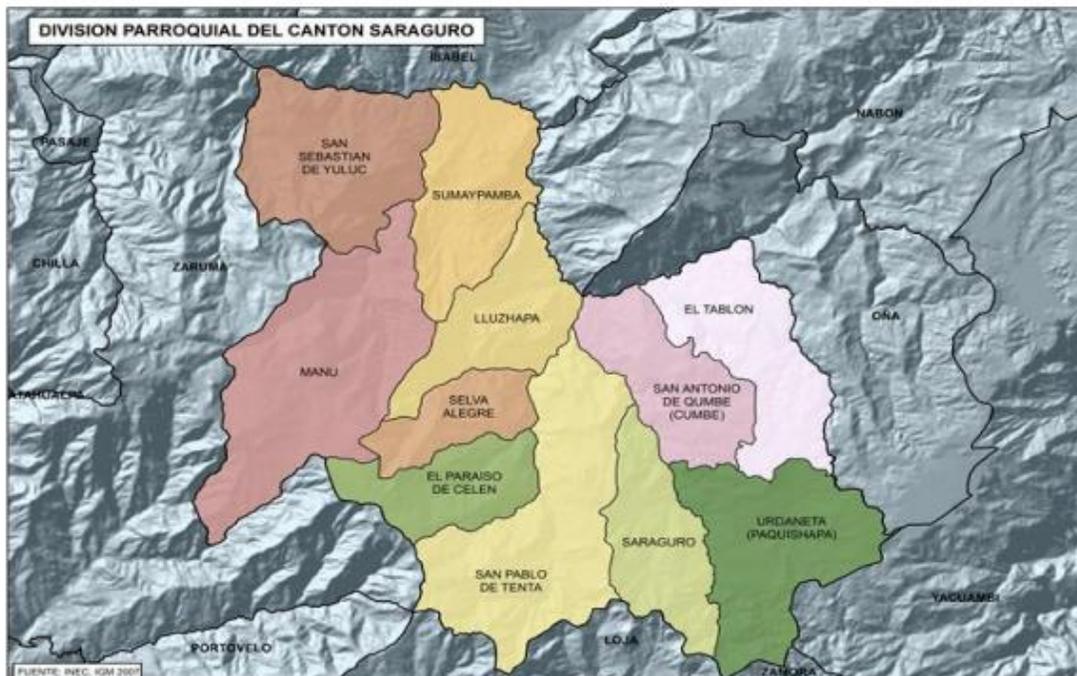


Figure 2: Geographic division of Saraguro

Source: INEC - Censo de Población y Vivienda 2010

Artisanal production

One of the sixteen cantons of the province of Loja, is Saraguro. This is recognized by its indigenous population, who mostly wear black and white clothes. They have a large handicraft production, keeping alive the tradition of making handmade crafts, made in their free time as a family activity.

In Saraguro, the craft activity mainly focuses on the production of textiles and clothing accessories, characterized by being made by hand, factor which add value to their crafts. It should be noted that currently there is a large number of craftsmen who make necklaces, rings, earrings, and bracelets with beads which captivate many people. In the same way, textile products are offered, such as ponchos, hammocks, saddlebags, scarves, among others, made with sheep wool, as well as the manufacture of pieces in ceramics.

The learning and the techniques of creating crafts do not need systematic schools, it is present in each family and they are carried out mostly in their homes. At present these activities are classified as unprofitable and new generations migrate to other cities looking for other occupations that improve their life quality. The time used to fabricate each product depends on the skill of each artisan, besides taking into account the difficulty of the article and its design (Caraguay & Rodríguez, 2014).

1.2 Analysis of the macro environment of Saraguro

1.2.1 Political-legal factors

When carrying out the study of the environment, the analysis of governments or the administration performance of the place was essential, since it is motivated by several aspects where the constitutional framework is sought in the socio-economic area of Saraguro; the legislation, which may or may not be open to support or encourage different sectors; political stability which translates into security for citizens and the possibility of attracting investment, in addition to fiscal policy and foreign policy. Therefore, it is essential to analyze the trends, solidity and transparency of its current political system, as well as the possible repercussions that it will have on the project (Bevator, 2015).

Political diagnosis and citizen participation

The Autonomous Decentralized Intercultural Government of Saraguro Municipality (GADMIS), has cantonal jurisdiction, political, administrative, and financial autonomy. Its principles are based

on interterritorial equity, solidarity, citizen participation and integration. Its administration is made up of the functions of legislation and supervision; executive and citizen participation. Its cantonal head is Saraguro. (Gobierno Autónomo Descentralizado Municipal Intercultural del Cantón Saraguro, 2016).

The Municipality of Saraguro, as an institution, shows several weaknesses that require immediate attention and prompt solutions. The most relevant ones are presented below.

- There is a scarce tax culture, in addition to distrust of the cantonal authorities, which has an impact on income generation.
- Past due portfolio because of the high percentage of subsidies for dispensing municipal services, generated by the limited capacity to recover resources.
- Limited projects that make viable the management of external resources with national and international organizations.
- Lack of regulations, manuals, guides that standardize administrative procedures within the municipality, which generates coordination deficiency among the different departments and makes the staff job more difficult.
- Obsolete quality of service provision, poor efficiency in administrative procedures, payments delays to municipality workers.

Current legal framework

According to the Organic Code of Territorial Organization, Autonomy and Decentralization, in Art. 53 mentions that decentralized autonomous governments are legal entities of public law, which commits them to guarantee the right to good living or *sumak kawsay*, implementing public policies that benefit its inhabitants. This is integrated by the functions of citizen participation; legislation and control; and executive. In addition, the venue of the decentralized municipal autonomous government will be the cantonal head (Ministerio de Finanzas del Ecuador, 2010).

It should be noted that the first article of the Ecuadorian Constitution (2008) states that "Ecuador is a constitutional State of rights and justice, social, democratic, independent sovereign, unitary, intercultural, plurinational and secular. It governs in the form of a republic and is governed in a decentralized manner "so that all inhabitants, communities, nationalities, etc., are holders of their rights and enjoy the rights guaranteed in the Ecuadorian Constitution, also in the international human rights treaties and other tools.

Art. 96 of the Ecuadorian Constitution recognizes every society organization as a form of expression of popular sovereignty, to make its decisions, and to implement public policies, as well as to influence the different levels of government (Constitución de la República del Ecuador, 2008).

According to Art. 3 established by the Organic Code of Territorial Organization, Autonomy and Decentralization, decentralized autonomous governments have the obligation to link their territorial development plans to the National Development Plan, and guarantee the rights of their inhabitants, good living and cooperate to improve the public policies implementation for the benefit of society (Ministerio de Finanzas del Ecuador, 2010).

Art. 40 of the Organic Code of Planning and Public Finance, in relation to guidelines and policies of the National Decentralized System of Participatory Planning, establishes that those policies and guidelines approved will be mandatory for the central government and autonomous centralized governments (Código Orgánico de Planificación y Finanzas Públicas, 2010).

Public, private actors and civil society

The entities of a society are basically identified by some characteristics: they are usually influential people for their leadership, whether as groups, organizations, movements and related institutions that intervenes in the social life of the community in order to contribute to the community with the elaboration, planning and execution of proposals or projects for the benefit of a territory (RAUBER, 2006).

Table 1: Public, private, NGO, organizational and community entities.

Public	<ul style="list-style-type: none"> • MIES District Directions • MAGAP • Ministry of Education • Ministry of Health • Civilian Registry Office • Political Headquarters • National Police • Second Notary Office • CNT • Property Registration Office • Multiple Competency Court
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Private	<ul style="list-style-type: none"> • Construction companies • Public transportation companies • Microenterprises and popular and solidary economy startups
ONG	<ul style="list-style-type: none"> • Foundations: Kawsay, Hatari, Wampra • Communities of Piarist and Franciscan Fathers
Organizational and community	<ul style="list-style-type: none"> • Interprovincial Federation of Saraguros Indigenous (FIIS) • Coordinator of Quichua Saraguro People "CORPUKIS" • Transportation, production and marketing cooperatives. Savings and credit • Irrigation boards. • Trade organizations.

Source: Development Plan and Land Planning of Saraguro County 2014-2019

Municipality of Saraguro GAD structure and capacities for land management

Table 2: Directive levels of Saraguro Municipality GAD

Directive Level	Formed by 5 democratically elected councilors
Executive Level	Mayor and Deputy Mayor of Saraguro
Advisor Level	Legal advice and internal auditor
Support Level	General Secretariat: Directions: Planning and Development, Administrative, Financial, Public Works, Production and Environmental Management, Interculturality
Operative Level	Units: Human Resources, Public Purchases, Acquisition and Logistics, Maintenance, Accounting, Treasury, Collection, Warehouse, Rents, Appraisals and Cadasters, Topography, Urbanism and Feasibility, Solid Waste and Sanitation, Risk Management, Land Registry.

Source: Development Plan and Land Planning of Saraguro County 2014-2019

Table 3: GAD structure and capacities matrix for territorial management

Procedure	Description	Actors
Governing	Formulates and approves policies and the issuance of ordinances and legal instruments that make the proper functioning of the Municipal GAD of Saraguro and civil society viable.	<ul style="list-style-type: none"> • Town Council • Mayor • Vice mayor

Enablers	Generates products and services for the governing processes, institutions and for themselves, making the institutional management feasible	<ul style="list-style-type: none"> • Legal management • Planning and development • Appraisals and cadasters • Topography • Audit and management control • Social communication • Inspection • Financial direction • Administrative direction
Value aggregators	Generates, manages and control products and services intended for external users and allow them to comply with the institutional mission	<ul style="list-style-type: none"> • Environment and environmental sanitation (solid waste management) • Drinkable water and sewerage • Market administration • Municipal public works • Appraisals and cadasters • Transportation • Justice, police, security and surveillance • Fire control

Source: Development Plan and Land Planning of Saraguro County 2014-2019

International Cooperation

The Local Government of Saraguro, has worked in international cooperation with different institutions and organizations, through agreements and strategic alliances with the Embassy of Japan, KAWSAY Foundation, Biosphere Ecuador and other Non-Governmental Organizations, other collaborators are mentioned below:

- Embassy of China, United States, France, Germany
- Inter-American Development Bank
- World Bank
- Charity Anywhere Foundation
- Korea International Cooperation Agency (Gobierno Autónomo Descentralizado Municipal Intercultural del Cantón Saraguro, 2016).

However, there are issues with developed projects with non-governmental organizations. A large list, registered in the Ministry of Social Welfare, shows that the NGOs have carried out several

projects aimed at the areas of health, education, technical infrastructure, irrigation system, tourism, and viability. Among the NGOs are Care-Promusta International, Plan International, Jatun Kawsay, Amauta Ñan, Wrampa, which have successfully contributed to the development of Saraguro while they have been present at the site, but once these projects are ended, they return to the original situation and there is no continuation (Pacheco, 2007).

1.2.2 Economic factors

It consists of an analysis of the macroeconomic variables of the current and future situation of the main economic activities and the factors that promote the Saraguro's economy development. This study wants to know the unemployment rate, level of development, access to resources, economic cycles, level of preparation, skills, occupations, production patterns, composition of income, which makes it possible to be clear about the economic scenario of the town (CEREM- International Business School, 2017).

Work and employment

The main activities of the inhabitants of Saraguro are agriculture, cattle raising, forestry and fishing, which represent 67.5%; followed by construction with 6.1%; in third place, wholesale and retail trade represented with 5.2% (INEC- Censo de Población y Vivienda, 2010).

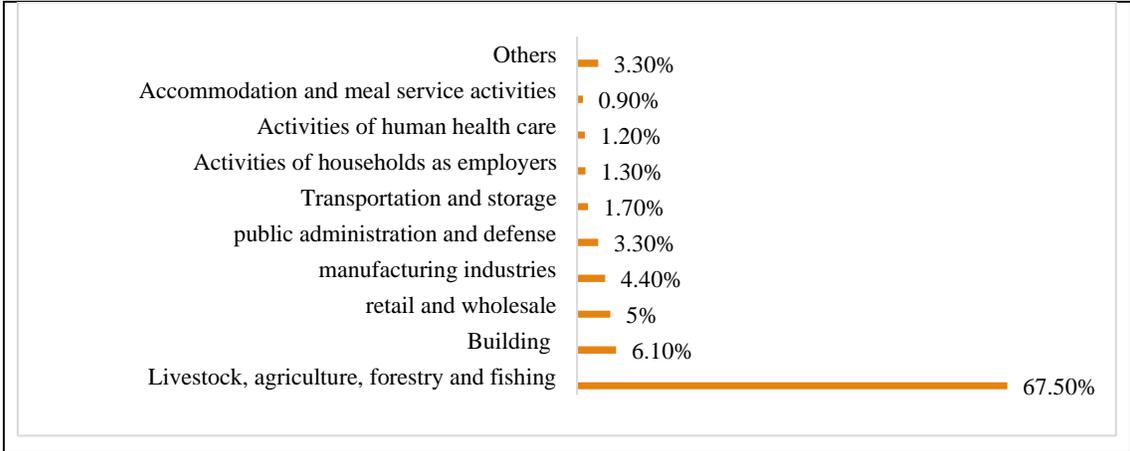


Figure 3: Principal economic activities in Saraguro

Source: INEC – Population Census and Housing 2010

Main job activities

Although the main activity of the population is cattle raising, forestry and fishing, trade is the activity that boosts the economy of Saraguro; this contributes 41.8% of the income for its inhabitants, then there are the activities of administration and defense, which contributes with

23.5% of the total income and, thirdly, there are the activities of human health care and social assistance, which contributes 12.1% to Saraguro's economy.

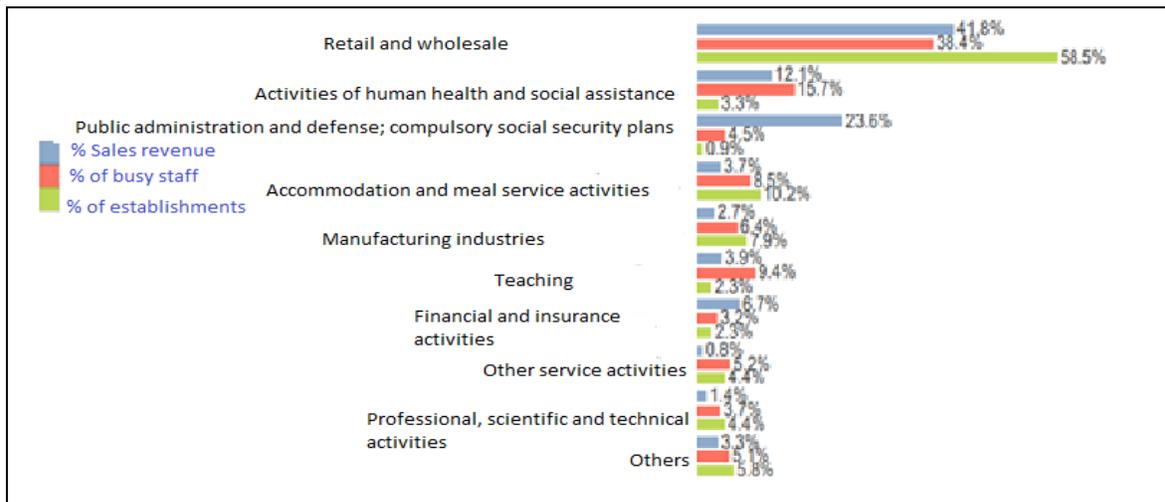


Figure 4: Income generated by activity

Source: INEC - Population Census and Housing 2010

Saraguro production and productivity

Due to the existence of different climates and microclimates, in addition to a great variety of suitable soils for cultivation, there is an ecological diversity and the development of four altitudinal levels: subalpine, pre montane, low montane and montane. Therefore, the cultivated plots are scattered and mixed with pastures, forests, etc. The smallholding is the basic unit of production in the canton. The main crops developed in Saraguro are corn, yucca sweet potato, peas, melon, wheat, barley, potatoes, vegetables. Referring to the lower parts of the canton you can find sugarcane, onion, corn, pepper, citrus, and other crops for cultivation work, using the plow. The agriculture in Saraguro usually occurs under rain which is susceptible to the climatic changes. Producers consider important sugar cane crops, soft and dry corn, dry and tender bean, onion, bean and wheat. In the same way the cattle raising activity is developed, this is dedicated to the breeding of ovine, ovine and bovine cattle. There is a small sector that produces dairy products such as cheese (Gobierno Autónomo Descentralizado Municipal Intercultural del Cantón Saraguro, 2016).

1.2.3 Sociocultural factors

The sociocultural aspect, will identify the social structure of the Saraguro county, analyzing the different groups of interest and population's education and health. Its importance lies in the fact that it deals with the study of social and cultural characteristics, as well as the behavior of various

social groups in Saraguro. The sociocultural environment is dynamic, this changes depending on the evolution of each territory, with the aim of optimizing the living conditions of the inhabitants. Both dimensions of this aspect will be shown later; the social dimension will announce the active participation of all social actors involved, looking for the evolution and growth of society. While the cultural field includes an integrated vision of the county, taking into account educational factors, traditions, etc. (LIFEDER, 2018).

Population by age group

Table 4: Population by age groups

Age groups	Gender			%
	Men	Women	Total	
Less than 1 year	284	307	591	1.96
1-4 years	1370	1407	2777	9.20
5-9 years	2023	2008	4031	13.36
10-14 years	1992	1957	3949	13.08
15-19 years	1472	1544	3016	9.99
20-24 years	1008	1217	2225	7.37
25-29 years	868	1089	1957	6.48
30-34 years	704	905	1609	5.33
35-39 years	621	859	1480	4.90
40-44 years	593	776	1369	4.54
45-49 years	589	682	1271	4.21
50-54 years	481	612	1093	3.62
55-59 years	483	595	1078	3.57
60-64 years	400	539	939	3.11
65-69 years	381	490	871	2.89
70-74 years	344	418	762	2.52
75-79 years	237	291	528	1.75
80-84 years	164	195	359	1.19
85-89 years	73	115	188	0.62
90-94 years	28	36	64	0.21
95-99	8	14	22	0.07
100 and more	0	4	4	0.01
Total	14 123	16 060	30 183	100

Source: Development Plan and Land planning of Saraguro County 2014-2019

It is essential to know how the population of Saraguro county is structured, for which its inhabitants were analyzed considering different factors such as sex, age and the activities in which they perform to determine the level of development.

In table 4 it can be observed that the highest percentage of population is between the ages of 5 to 9 years with 13.36%, followed by ages between 10 to 14 years with 13.08% and ages between 15

to 19 years with 9.99%, showing that in the county there is a high proportion of young people, in addition that the differences between sex with respect to the population are minimal, with the male population slightly higher than the female population (Gobierno Autónomo Descentralizado Municipal Intercultural del Cantón Saraguro, 2016).

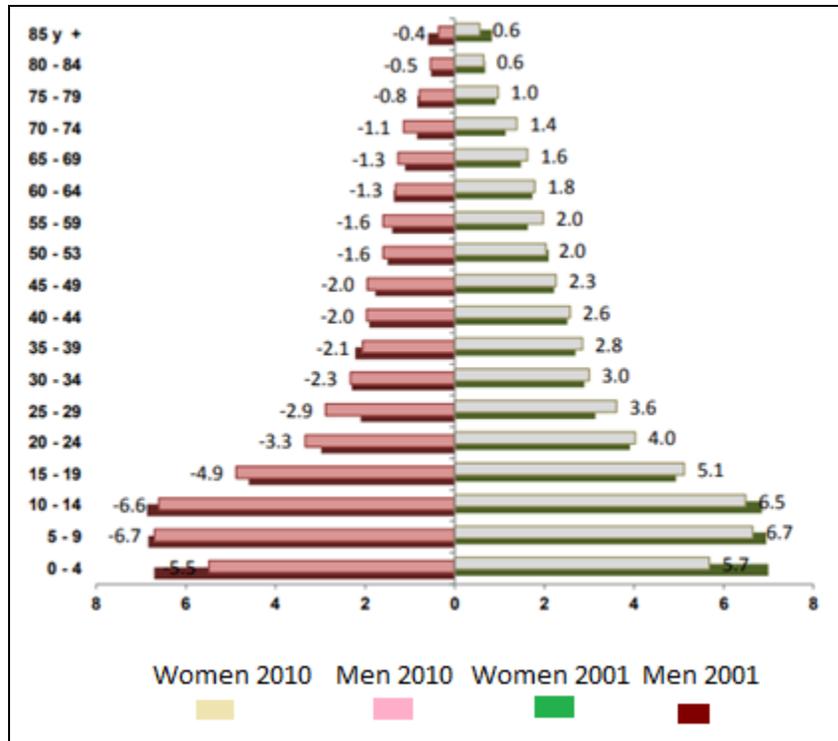


Figure 5: Population pyramid

Source: Development Plan and Land Planning of Saraguro County 2014-2019

According to the population pyramid, all ages have had a population growth in 2010 in both men and women, with the exception of the ages between 0 to 14 years, where their decrease is notable (Gobierno Autónomo Descentralizado Municipal Intercultural del Cantón Saraguro, 2016).

Figure 6: Population overview

Population:	30.2 thousand habitants (6.7% regarding the province of Loja)			
Urban:	13.4%			
Rural:	86.6%			
Women:	53.2%			
Men:	46.8%			
Economically Active Population:	49.4%	(6.4%	Economically Active population is from Loja)	

Source: INEC - Censo de Población y Vivienda 2010

The total population of the Saraguro county is 30,183 people, where 13.4% of them belong to the urban area and 86.6% to the rural area. The population of women is higher, which represents 53.2%

of the population. With regard to the Active Economic Population, 49.4% of its population belongs to this group (INEC- Censo de Población y Vivienda, 2010).

Table 5: Population growth

Year	1990	2001	2010
Saraguro population	26,995	28,029	30183
Growth rate	1990-2001		2001-2010
	0.34		0.82

Source: Author elaboration based on data obtained from Instituto Ecuatoriano de Estadísticas y Censos- INEC

In Saraguro, the population growth rate has increased over the last two censuses, showing that the growth rate between 1990-2001 was 0.34, which grew to 0.84 in 2010 (INEC- Censo de Población y Vivienda, 2010).

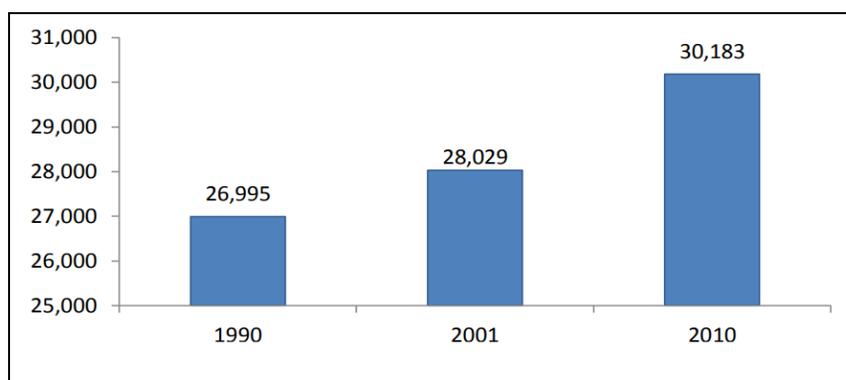


Figure 7: Population in years 1990, 2001, 2010

Source: Development Plan and Land planning of Saraguro Canton 2014-2019

In 1990 the population of Saraguro was 26,995 people, later in the year 2001 its population was 28,029 inhabitants and in 2010 the population increased to 30,183 people (Gobierno Autónomo Descentralizado Municipal Intercultural del Cantón Saraguro, 2016).

Table 6: Urban population distribution

YEAR	URBAN	RURAL	TOTAL
2001	11.15%	88.85%	100%
2010	13.36%	86.64%	100%
YEAR	URBAN	RURAL	TOTAL
2001	3124	24,905	28,029
2010	4031	26,152	30,183

Source: Development Plan and Land planning of Saraguro Canton 2014-2019

Due to the internal migration from the rural area to the urban area, the urban population of Saraguro has been increasing progressively, its total of urban inhabitants step from being 11,15% in the year 2001 to 13,36% in the year 2010, increasing by 2.21% (Gobierno Autónomo Descentralizado Municipal Intercultural del Cantón Saraguro, 2016).

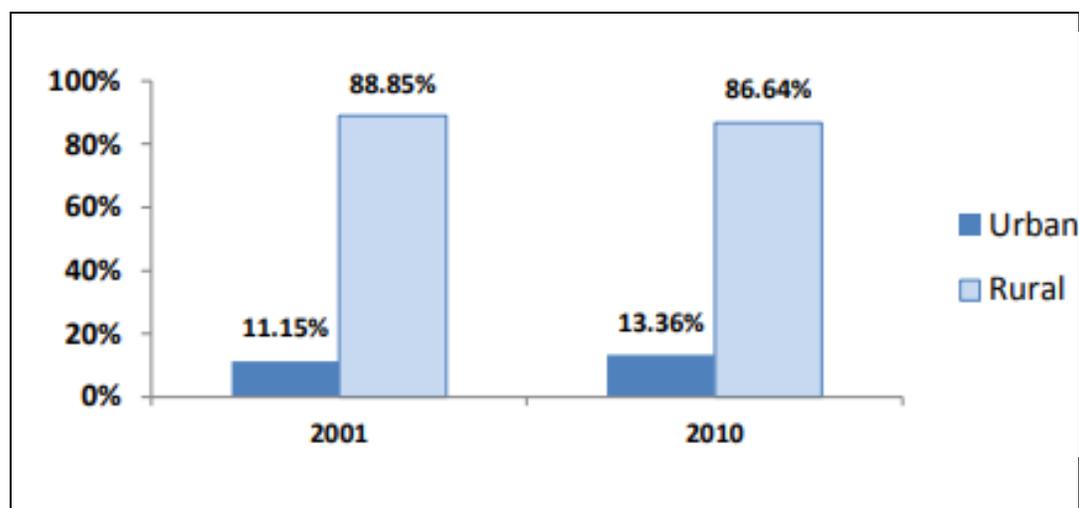


Figure 8: Urban-rural population growth

Source: Development Plan and Land planning of Saraguro Canton 2014-2019

Education

Education in Saraguro has a structure of three basic levels divided into Initial Education, Basic General Education and Bacallaureate, which in their totality are offered by the State. These depend on the structures established by the Ministry of Education through the districts located in the province of Loja, Saraguro has the District Office of Saraguro (Gobierno Autónomo Descentralizado Municipal Intercultural del Cantón Saraguro, 2016).

Schooling and cantonal illiteracy

The rate of schooling among the population aged 24 and over in 2010 of the inhabitants of the Saraguro in the urban area is 9.76%, which meant a growth of 1.53% compared to 2001. On the other hand, in the rural area the rate is 9.5%, showing a growth of 1.6% compared to the 2010 census, as shown in the figure 9 (Gobierno Autónomo Descentralizado Municipal Intercultural del Cantón Saraguro, 2016).

DESCRIPTION	YEAR	URBAN	RURAL	TOTAL
Average schooling of the population aged 24 and over	2001	8.23	7.9	4.8
Average schooling of the population aged 24 and over	2010	9.76	9.5	6.2

Figure 9: Average cantonal schooling -/ Population aged and over

Source: Development Plan and Land planning of Saraguro County 2014-2019

The illiteracy rate of the population aged 15 and over at the provincial level between 2001 and 2010 was reduced by 2.1%, with respect to the level of the Saraguro comparing between 2001 and 2010 this rate was reduced by 3.3%, due to the strong schooling campaigns carried out by the government to increase education rate, these data are shown in figure 10 (INEC- Censo de Población y Vivienda, 2010).

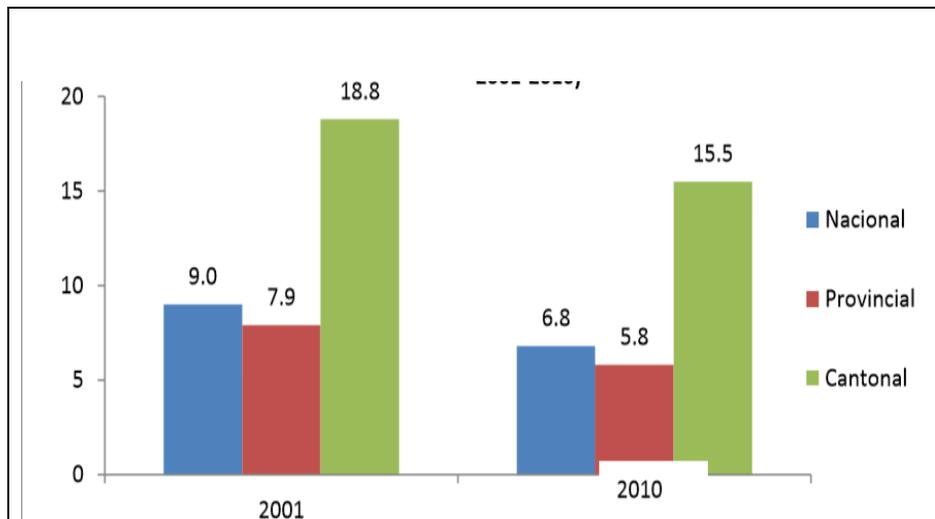


Figure 10: Cantonal illiteracy of Saraguro (%)

Source: INEC - Censo de Población y Vivienda 2010

School desertion

During the school period 2009-2010 and 2012-2013, the dropout index has grown from 0.4% to 0.5% in both rural and urban students, the total number of students that have left the different educational units is 254. 5% in the rural area and 295 students that correspond to 6.9% of the urban area (Gobierno Autónomo Descentralizado Municipal Intercultural del Cantón Saraguro, 2016).

Table 7: Saraguro school desertion (urban and rural area)

Rural Area				Urban Area		
School period	Number of students leaving the school system	Total enrollment	Dropout rate	Number of students leaving the school system	Total enrollment	Dropout rate
2009-2010	234	5085	4.6%	265	4115	6.4%
2012-2013	254	5067	5%	295	4297	6.9%

Source: Development Plan and Land Planning of Saraguro County 2014-2019

Poverty

The poverty rate in Saraguro for Unsatisfied Basic Needs (NBI) is 9.4% with respect to the province of Loja. The poverty index in 2010 is 86.8%, in rural areas; but regardless of whether it is per home or per person, unmet needs are high, so it is essential to implement projects which promote the development and improvement of each family life quality (Gobierno Autónomo Descentralizado Municipal Intercultural del Cantón Saraguro, 2016).

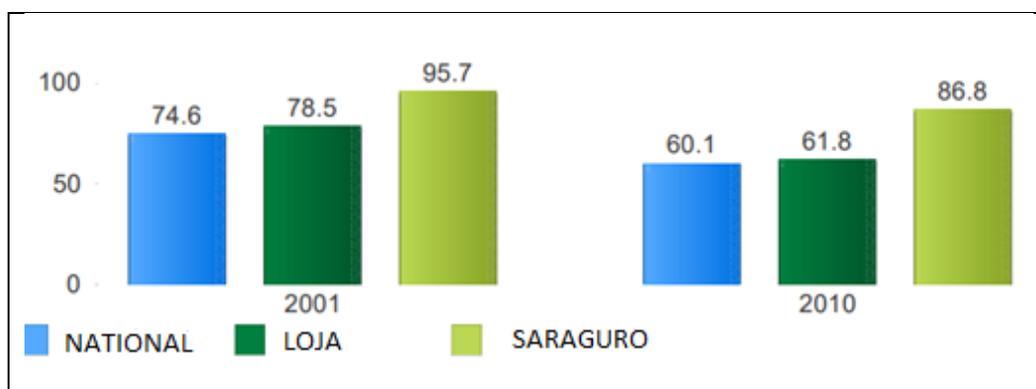


Figure 11: Poverty of Saraguro

Source: INEC - Censo de Población y Vivienda 2010

Health

The Ministry of Health provides welfare services to the population of Saraguro. Currently the county has 29 health facilities, which are distributed in Saraguro and in the ten different rural parishes. There are 16 health spots, 8 health centers and a hospital located in the county capital and 4 dispensaries of the Rural Social Security (Gobierno Autónomo Descentralizado Municipal Intercultural del Cantón Saraguro, 2016).

Table 8: County health centers

ZONE	HEALTH SPOTS	HEALTH CENTERS	HOSPITAL	RURAL SOCIAL SECURITY DISPENSARIES	TOTAL
URBAN	4	1	1	0	6
RURAL	12	7	0	4	23
TOTAL	16	8	1	4	29

Source: Author's data obtained from Development Plan and Land planning of Saraguro County Plan 2014-2019

In Saraguro the most common diseases are rhinopharyngitis with 61.24%, tonsillitis with 45.03%, severe pharyngitis with 36.64%, diarrhea and gastroenteritis with 34.42, all of them for every thousand inhabitants. Table 9 shows the most common diseases in the county (Gobierno Autónomo Descentralizado Municipal Intercultural del Cantón Saraguro, 2016).

Table 9: Most common diseases in the county

CODE	CAUSES	TOTAL		TOTAL	RATE x 1000
		H	M		
J00	Acute rhinopharyngitis, common cold	856	1131	1987	61.24
J03	Acute tonsillitis	617	844	1461	45.03
J02	Acute pharyngitis	479	710	1189	36.64
A09	Diarrhea and gastroenteritis of presumed infectious origin	533	584	1117	34.42
B82	Intestinal parasitosis, without other specification	424	497	921	28.38
M54	Dorsalgia	251	406	657	20.25
N39	Other disorders of the urinary system	69	482	551	16.98
K29	Gastritis and duodenitis	163	364	527	16.24
J20	Acute bronchitis	193	208	401	12.36
A06	Amebiasis	168	232	400	12.33
N76	Other inflammatory diseases of the vagina and vulva	0	323	323	9.954
M79	Other soft tissue disorders, not elsewhere classified	87	198	285	8.783
R51,G43	Headache, migraine	95	234	329	10.14
	TOTAL	3935	6213	10148	0

Source: Development Plan and Land planning of Saraguro Canton 2014-2019

Social programs

Within the programs as well as in the Human Development Bond and the Human Development Credit set out in table 10, the beneficiaries include mothers, older adults and people with disabilities (Gobierno Autónomo Descentralizado Municipal Intercultural del Cantón Saraguro, 2016).

Table 10: Social programs

SOCIAL PROGRAMS	SARAGURO BENEFICIARIES	UNITS	DATE
Human Development Bond	7365	Mothers, older adults and people with disabilities	August 2014
Human Development Credit	238	Mothers, older adults and people with disabilities	August 2014

Source: Own elaboration based on data obtained from Development Plan and Land planning of Saraguro Canton 2014-2019

Social cohesion

The majority of the inhabitants of Saraguro identify themselves as indigenous or mestizo. Almost everyone speaks Quichua or Shimi Rune. However, with education taught in Spanish, the identity of these communities has been affected, since their mother tongue is not practiced daily by them. Even so, there are many traditions deeply rooted in each community belonging to Saraguro, such as the Raymis, whose meaning is "Easter", "move from one state to another" or "move from one place to another"; that is why four Raymis are carried out per year (Gobierno Autónomo Descentralizado Municipal Intercultural del Cantón Saraguro, 2016).

Table 11: Saraguro traditions

Pawkar Raymi	March 21, these were usually celebrated in the days surrounding the March equinox, in which the Pachamama (Mother Earth) is thanked and offered.
Inti Raymi	June 21, is a festival dedicated to the sun, this is celebrated in Qosco, the seventh month of the indigenous calendar between June and July.
Kulla Raymi	September 21, is the celebration of the beginning of life whose symbol is mama Kulla, which was replaced by the virgin.
Kapak Raymi	December 21, name assigned to the twelfth month of the indigenous calendar, which coincides with Christmas.

Source: Author data obtained from Development Plan and Land planning of Saraguro Canton 2014-2019

Clothing

The clothing is what has basically determined the location of a person in the aboriginal group. Saraguros own clothing that differentiates them from other ethnic groups. In the case of men, they wear black wool garments, chusma or a shirt, without sleeves or collar, knee-length shorts, a small poncho with two cloths, a colored woven band to secure their pants, plus a leather belt, adorned with rivets or silver buttons. Women wear a black wool skirt with thin vertical folds, a colored woven band to secure the skirt, an embroidered blouse at the neck and sleeves, a poncho held by a pin, called "tupo", beads necklaces of various shapes. Both men and women wear a wool shawl, this is usually white or white with dark brown stains. Also they wear their hair long, woven in braids, while on holidays their braids become more complex (Jiménez, 2014).

Music and folklore

In general, the music of Saraguros is sad and monotonous, so their rhythms are little varied; the instruments used by the inhabitants of this county are the bass drum and the violin. The first one is made with pine hoops, sheepskin membranes, percussion magician, a guitar string and at one end it has a ball of cloth fastened with a thin string. The violin is composed of four strings; made for the person who plays the music (Jiménez, 2014).

1.2.4. Technological factors

Technological advances change rapidly, so it is difficult to analyze them. This analysis it is intended to detail public investment in research, promotion and implementation of information technologies, the change in technological rhythms, the digital division and the use of technology trend among its inhabitants. In addition to knowing the progress in the logistics and transport system of Saraguro county (CEREM- International Business School, 2017).

Electricity availability

Table 12: Sources of electrical energy

Parish	Public service electric company network	Light generator (power plant)	Other (solar panel)	Does not have	Total
Saraguro	2026	1	3	168	2198
El Paraiso de Celen	583	2	1	117	703
El Tablon	219			36	255
Lluzhapa	359		4	71	434
Manu	605	1	1	96	703

San Antonio de Cumbe	273			54	327
San Pablo de Tenta	764	1	2	152	919
San Sebastian de Yuluc	197		7	34	238
Selva Alegre	429			59	488
Sumaypamba	339			16	355
Urdaneta	923	1	1	99	1024
TOTAL	6717	6	19	902	7644
%	87.87	0.08	0.25	11.80	100

Source: Development Plan and Land Planning of Saraguro Canton 2014-2019

Electric power is distributed through high and low voltage networks to each sector. EERSSA is the company that provides the services and maintenance of all networks. In table 13, it can be observed that there is 11.80% that lacks this service, while the rest have an electrification service, which comes directly from the electric company. The lighting service greatly influences the safety of the inhabitants, as this is reflected in vehicular and pedestrian traffic, reduces crime and traffic accidents (Gobierno Autónomo Descentralizado Municipal Intercultural del Cantón Saraguro, 2016).

Telephony and internet

According to data obtained from the Autonomous Decentralized Intercultural Government of Saraguro Municipality 2016, currently in Saraguro these services are deficient. The fixed telephone service coverage is low at 12.14%, while the rest lacks this service. In terms of mobile telephone, its service is provided by Claro, Movistar and CNT.

In table 13, it can be seen that 2.67% of the population of the canton has Internet service and 97.33% of the population lacks it, so there must be an approach by GADMIS to increase the coverage of this service in the community.

Table 13: Internet availability in Saraguro

Parish	INTERNET		TOTAL
	Yes	No	
Saraguro	145	2109	2254
El Paraiso de Celen	7	710	71
El Tablon	5	252	257
Lluzhapa	5	440	445
Manu	6	711	717
San Antonio de Cumbe	2	329	331

San Pablo de Tenta	12	317	929
San Sebastian de Yuluc	2	242	244
Selva Alegre	5	490	495
Sumaypamba	4	355	359
Urdaneta	15	1018	1033
TOTAL	208	7573	7781
%	2.6	97.33	100

Source: Development Plan and Land Planning of Saraguro Canton 2014-2019

1.2.5 Environmental factors

Variables such as climate, conservation of the environment, climate change, natural risks are included, especially factors that affect the industries related to agriculture and tourism, where in a large percentage Saraguro authorities have focused on stirring up the economy. In addition, the analysis of regulatory changes in this area is fundamental (CEREM- International Business School, 2017).

Levels of pollution

Regarding pollution in Saraguro according to the data shown in table 14, it is evident that the aspects that include the use of agrochemicals, garbage, extraction of stone material are the main polluting factors of the county. Pollution levels are high according to every activity (Gobierno Autónomo Descentralizado Municipal Intercultural del Cantón Saraguro, 2016).

Table 14: Pollution in Saraguro

Resource	Impact	Activity	Pollution Level
Water from rivers, streams and lagoons	<ul style="list-style-type: none"> • Wastewater pollution from population centers • Trash • Agrochemicals • Stony exploitation • Healing rituals 	Anthropic	High
Population	<ul style="list-style-type: none"> • Mining (quarries) • Populations near the road network to transport the material • Railcar park 	Anthropic	High
Soil	<ul style="list-style-type: none"> • Chemicals used in agriculture 	Anthropic	High

Source: Development Plan and Land Planning of Saraguro Canton 2014-2019

Water for the consumption of the canton

Table 15 shows the indicators based on the collection, origin and coverage of the water system, highlighting the quality of water, the number of homes that have water from different media at the parish level, these factors influence the development of diseases, especially intestinal and parasitic. It can be observed that 52.80% of the houses have water from the public network, which does not have an adequate maintenance of the system, causing negative effects on the health of the inhabitants (Gobierno Autónomo Descentralizado Municipal Intercultural del Cantón Saraguro, 2016).

Table 15: Water origin of each parish

Parish	From public network	From water well	From river, slope, irrigation ditch	Other (water from rain)	TOTAL
Saraguro	1352	45	754	47	2198
El Paraiso de Celen	237	95	308	63	703
El Tablon	103	39	110	3	255
Lluzhapa	95	66	266	7	34
Manu	385	61	242	15	703
San Antonio de Cumbe	199	33	77	18	327
San Pablo de Tenta	407	114	384	14	919
San Sebastian de Yuluc	142	3	86	7	238
Selva Alegre	233	23	222	10	488
Sumaypamba	273	9	71	2	35
Urdaneta	610	68	332	14	1024
TOTAL	4036	556	2852	200	7644
%	52.80	7.27	37.31	2.62	100

Source: Development Plan and Land planning of Saraguro Canton 2014-2019

Wastewater system

The wastewater discharge is an essential requirement to have a pollution-free environment. The sewage system aims to prevent rainwater from mixing with excreta water, thus reducing polluted water and flowing normally according to the capacity of the pipes. The indicators presented in Table 16 reflects the quality of housing and access to basic services of the population of Saraguro, however, this% is not synonymous of quality in terms of service. This shows that 32.85% of dwellings do not have sewerage service, while 1.88% eliminate sewage water without performing any type of treatment and 65.27% have a system for eliminating excreta water. That is why the

development of projects to improve life quality of the inhabitants are urgent. With respect to sewage, the reach of sewerage should be expanded and places for drainage need to be established (Gobierno Autónomo Descentralizado Municipal Intercultural del Cantón Saraguro, 2016).

Table 16: Disposal of sewage

Parish	Connected to public sewage network	Connected to septic tank	Connected to blind well	Direct discharge to the sea, river, lake or stream	Latrine	Does not have	Total
Saraguro	878	746	111	47	16	400	2198
El Paraiso de Celen	76	143	24	32	86	342	703
El Tablon	23	71	25	3	16	117	255
Lluzhapa	68	120	51	6	17	12	434
Manu	190	185	71	7	39	211	703
San Antonio de Cumbe	24	64	26	9	56	148	327
San Pablo de Tenta	35	390	64	29	20	381	919
San Sebastian de Yuluc	63	57	45		8	65	238
Selva Alegre	110	123	28	4	16	207	488
Sumaypamba	67	138	26	3	7	114	335
Urdaneta	133	354	123	4	56	354	1024
TOTAL	1667	2391	594	144	337	2511	7644
%	21.81	31.28	7.77	1.88	4.41	32.85	100

Source: Development Plan and Land planning of Saraguro Canton 2014-2019

1.3 Internal analysis (Saraguro artisan)

Having a comprehensive perspective of the current situation of the Saraguro artisan will ensure it that the internationalization plan is orientated towards meeting the objectives set. Llamazares (2016) in his book International Marketing specifies internal analysis as the task of conducting an internal analysis in order to assess its competitive situation vis-à-vis the foreign market; where is mandatory to know what their strengths and weaknesses are in all areas: production, technology, experience and knowledge of international marketing, level of financial resources and financing capacity, logistics capacity, internal and external organization, human resources, internet use, etc., and all from the perspective of foreign markets. Based on this analysis, decision making on threats and opportunities will be based on the artisan's skills. Regarding the analysis made to the saraguros artisans, several factors differ from those already established in a company or a community with previous internationalization or export projects. However; the same objective will be maintained.

S: Strengths
W: Weaknesses
(-) Not significant

Table 17: Determination of competitive capabilities

COMPETITIVE CAPABILITIES	S, W o (-)
Geographical location of the artisans	W
Production capacity available	S
Technology used	W
Financial resources for working capital and investments abroad	W
Language skills	W
Brand /company image	W
Motivation for the products internationalization	S
Easy decision making	S
Originality of its products	S
High production costs invested and amount of time for crafts	W
Effective marketing and dissemination tools	W

Source: Author elaboration based on the methodology proposed by Sánchez (2014)

1.4 External analysis (environment and sector)

As this is a priority tool, the realization of external analysis of the saraguro artisan situation will allow the creation strategies in favor of opportunities and threats, non-controllable factors that are constantly changing. (Llamazares, 2016) states that the external analysis is about the situation of the company activity sector at international level or the international life cycle of the product, because the sector or the line of products offered by the company may be in a stage of maturity in some markets, growth in some or not exist in others.

Based on this analysis, once diverse facts, negative and positive trends and variations in the artisanal sector have been identified, decision-making will focus on the results of these external forces that influence the actions and shape both the potential and the value of the crafts made in Saraguro.

O: Opportunities
T: Threats
(-): Not significant

Table 18: Determination of environmental and sector factors

ENVIRONMENT AND SECTOR FACTORS	O, T o (-)
Internet access and social network management	O
Existence of emerging markets as consumers	O
Appearance of new products in the market	T
Changing tastes of consumers	T
Low appreciation of crafts in Ecuador	T
Interest on the part of foreigners in millenary cultures and their crafts	O
Low prices that the national market is available to pay for a craft	T
Public and private entities interest for the exportation and promotion of Ecuadorian handicrafts	O

Source: Author elaboration based on the methodology proposed by Sánchez (2014)

1.5 Balanced SWOT

Table 19 lists the internal and external factors that directly influence the development of this project, therefore, a weight between 0.0 and 1.00 must be assigned. This expresses the importance of each factor within this project, the established values they must add 1.0. then a grade between 1 and 4 must be given, where 1 is irrelevant and 4 is considered very important. Then the multiplication of the factor's weight will be carried out with the respective qualification in order to determine a weighted grade of each factor. Finally, the weighted ratings will be added of each factor to determine the weighted total of the whole (Talancón, 2006).

Table 19: Balanced SWOT

FACTOR TO ANALYZE	WEIGHT	QUALIFICATION	BALANCED WEIGHT
STRENGTHS			
Production capacity available	0.13	4	0.52
Motivation for the internationalization of their products	0.09	3	0.27
Easy decision making	0.04	2	0.08
Originality of their products	0.15	4	0.60
			1.47
WEAKNESSES			
Geographical location of the artisans	0.03	1	0.03

Financial resources for working capital and investments abroad	0.11	3	0.33
Language skills	0.08	2	0.16
Brand / company image / cultural identity	0.10	4	0.40
High production costs and amount of time spent for each craft	0.12	4	0.48
Effective marketing and broadcasting tools	0.16	4	0.64
	1.00		2.04
OPORTUNITIES			
Internet access and social network management	0.18	4	0.72
Existence of new markets	0.10	3	0.30
Foreigners interest in millenary cultures and their crafts	0.18	4	0.72
Public and private entities interest for exportation and promotion of Ecuadorian handicrafts	0.15	2	0.30
			2.04
THREATS			
Changing tastes of consumers	0.15	4	0.60
Scarce appreciation of Ecuadorian crafts	0.11	3	0.33
Low prices that the national market is available to pay for a craft	0.13	3	0.39
	1.00		1.32

Source: Author's data.

1.6 International SWOT analysis

This is a very effective diagnostic tool to determine the key factors in the internal and external environment, which should be kept in mind when designing internationalization strategies where threats can jeopardize the consummation of the plan's objectives, opportunities can be useful to reach the goal, the strengths will be the support to obtain successful results and the weaknesses will be the factors that must be corrected as soon as possible (Sánchez, 2014).

In this way, a set of relevant elements was created on which the project of internationalization of the tupos and mat collars will be based on its real possibilities in the international market, for which three were extracted from each aspect made in the internal and external analysis.

Table 20: International SWOT analysis

Order	STRENGTHS	WEAKNESSES
1	Originality of their products	High production costs and amount of time spent for each craft
2	Production capacity available	Scarce effective marketing and broadcasting tools
3	Motivation for the internationalization of their products	Deficient brand / company image / cultural identity
Order	OPORTUNITIES	THREATS
1	Internet access and social network management	Changing tastes of consumers
2	Foreigners interest in millenary cultures and their crafts	Scarce appreciation of Ecuadorian crafts
3	Existence of emerging markets as consumers	Low prices that the national market is available to pay for a craft

Source: Own elaboration, based on the methodology proposed by Sánchez (2014)

1.7 Diagnosis of internationalization

In table 21, four essential aspects are presented that have been taken into account to motivate the internationalization of products made by hand by saraguro artisans from the SWOT analysis carried out previously.

Table 21: Diagnosis of the internationalization project

1	Undoubtedly, the originality of their products, the colorful and difficult designs are what gives these crafts advantage toward others existing inside and outside Ecuador, this is how tupos and mat collars attract the attention of many people, because that is where the tradition and creativity of each artisan mixes.
2	The high costs and the great amount of time invested in the elaboration of their crafts compared to the low prices that national market is willing to pay, is one of the factors that has made these products to try looking for international market.
3	The indispensable use of the internet and the management of social networks are marketing tools that are booming, as well as being the ones that causes more impact on the final customer.
4	The interest from the foreigners in millenarian cultures and their handicrafts compared to the scarce craft's appreciation in Ecuador, is an indicator that impels the search of new markets.

Source: Author elaboration

1.8 Conclusions:

- Mat collars and tupos can be adapted without difficulty to the international market demand, because they have characteristics that make them unique as their techniques and designs, as well as having an excellent quality in materials and finishes.
- E-commerce can help make international sale of these items successful, without the need to make massive or traditional exports. Businesses should focus particularly on the factors that make e-commerce reliable and satisfying to the final customer.
- Not having the ability to offer a large volume, because of the time it takes for each craftsman to make one of the crafts. These items will be offered as individualized and exclusive products to the final customer.
- One of the objectives of the internationalization plan is to establish with caution the formalities that must be followed to enter the international market through an online store and provide a quality service.
- There are sufficient reasons to carry out the internationalization of these two artifacts, since their options in the national market are not in line with the requirements that imply improving the quality of life of an artisan and the continuation of this business model carried out by the Saraguros as profitable and sustainable.
- It is essential to enhance the identity, image and brand to sell abroad because these variables make the articles position themselves in the minds of real and potential customers. In addition to boosting its performance in the international market against the competition.
- To carry out the internationalization of these crafts, there is a reduced seed capital which must be used earnestly in each stage of the creation of the online store.
- Only the proper management of web pages, social networks and other marketing tools necessary for the dissemination of the products is needed, as well as carefully selecting, under parameters, the collaborators providing imperative services for international marketing.

Chapter 2: Forms of entry to the international market

Introduction

If your business is not on the internet, your business does not exist.

-Bill Gates.

This e-commerce project was born with an international vocation, so the main decision for the creation of an online store is to determine in which markets the products can enter. For this reason, it is convenient to choose adequately between diversification or concentration strategies. It is mandatory to understand what is best for the online store: focus on few markets or plan to enter several markets coincidentally.

When the first aspect has been solved, determining which of the two strategies mentioned above will be used, it is obligatory to propose a second elementary decision: What are the most suitable market options? Which market is the best to start with the internationalization? In this way, the market selection will be carried out, choosing among the options with the best potential, depending on the strategy chosen to be used for entering to the international market.

Currently, from the broad development of e-commerce, any market can be categorized as potential for any type of product that has a focus on either national or international sales. Even emerging economies are becoming competent markets in electronic commerce according to the use of the Internet, although this has been a slow growth, there are promising opportunities in the future, allowing small and medium entrepreneurs to reach specific niche customers (Entrepreneur Network, 2018). Developing countries turn out to be attractive for products of different characteristics and manufacturing, there is a great number of reasons to use e-commerce as an internationalization tool.

With regard to economic, human and technological resources, in this case they will be transformed by the fact that the business model is based on digital commerce, in addition it will have different forms of entry to conventional or traditional ways for massive export of products, because in electronic commerce being an almost incipient field in the country and very changing one in the international scene, this must be adapted according to the stages of the website creation and its logistics.

2.1. Concentration / Diversification

According to Llamazares (2016), concentration is a strategy that focuses its available resources in a limited number of markets, in such a way that it achieves a progressive and ascending sales volume. The advantages of this alternative are diverse:

- Better understanding of the selected markets.
- Opportunity to offer adapted and differentiated products.
- Decrease in logistics and administration costs.
- Control of clients regarding risks.
- Availability of resources for promotion and publicity.

Regarding the diversification, the author determines it as an alternative strategy which is based on marketing in as many markets as possible. There are several justifications that make this an option for internationalization.

- Information comparison in different markets of the world.
- Competitive advantages in a short term.
- Opportunities for favorable prices.
- Little dependence on small number of markets.
- Prevents direct rivalry between competitors.

In the following matrix, the option of concentration (C) or diversification (D) will be chosen according to the characteristics of tupos and mat collars, determined by market, marketing and product variables, after that a diagnosis will be made to deduce which of the alternatives is more favorable for the internationalization process. For this, the following values have been established:

0 irrelevant

1 minimum importance

2 unimportant

3 normal

4 important

5 very important

Table 22: Determination of strategy. Concentration or diversification

QUALIFICATION	CONCENTRATION	VALUE	DIVERSIFICATION	VALUE
5	The potential of customers in each market is high (number		The number of potential customers in each market is reduced	D 5
3	There is stability with a sustained demand in the key markets		The "key" markets are cyclical with a changing demand	D 3
4	Shared markets by a large number of competitors		A small number of competitors dominates the market	D 4
3	The sale is based on factors other than price	C 3	The sale is made essentially for the price	
2	Long product cycle	C 2	Short product cycle	
1	There is fidelity to the usual supplier by the client		The customer is not faithful to the habitual buyer	D 1
3	The products require a complex and expensive adaptation		The products are standard in different markets	D 3
4	Demand for sales in advertising / promotion	C 4	There is no requirement by sales in promotion / advertising	
3	The costs of administration and monitoring of sales are high		The costs of administration and monitoring of sales are reduced	D 3
2	The products for the final customer are sale repetitive		The products are not for repetitive sale to the final customer	D 2
TOTAL	CONCENTRATION	9	DIVERSIFICATION	21
DIAGNOSIS	According to the main characteristics of the two handicrafts selected and the respective comparison of their possible performance in the international market with the factors of both alternatives, the selected option is diversification, which according to the matrix it obtained a total of 21 points in favor, because the number of clients is limited in each market, so it is favorable to be present in as many markets as possible and the products are standard in each market.			

Source: Author's data, based on the methodology proposed by Sánchez (2014)

2.2. Country selection

Once the strategy to enter in the international market has been chosen, information from secondary sources, such as general information on the online market and the artisanal sector, will be used to obtain a perspective of the current situation. At this stage it was convenient to analyze the market according to the purchase habits or consumption online, with the aim of finding the countries of greatest interest to carry out the internationalization of the two crafts and discard those that are not attractive for the online store.

Table 23: Countries selection for internationalization through e-commerce

STANDARD	MARKET DELIMITATION
<p>Online shopping/ consumption habits</p>	<p>According to ATK (2015) in its study The 2015 Global Reatail E-Commerce Index points the markets that dominate e-commerce worldwide, which were evaluated by its online market, consumer behavior, potential growth and infrastructure; the following countries were established as the fifteen most optimal online markets.</p> <ol style="list-style-type: none"> 1. United States 2. China 3. United Kingdom 4. Japan 5. Germany 6. France 7. South Korea 8. Russia 9. Belgium 10. Australia 11. Canada 12. Hong Kong 13. The Netherlands 14. Singapore 15. Denmark
<p>Market finder / Recommended market for the categories of antique jewelry, necklaces, brooches and pins, clothing manufacture, import and export.</p>	<p>According to the data obtained from Google's Market Finder, which is a digital tool that recommends the best international markets in electronic commerce for companies, it provides data and statistics about the global market, business categories and online consumers in general. In addition, it has material to guide the company in logistics and marketing areas.</p> <p>Using this instrument, it was possible to investigate the most appropriate international market for the online store that will offer two types of crafts, through filters and categories in Market Finder that characterize the project such as antique jewelry, necklaces, brooches and pins, clothing manufacture, import and export.</p> <p>A list of countries was obtained, which are the potential markets to launch internationally the web platform; the fourteen first countries in the list were selected. (Market Finder, 2018)</p> <ol style="list-style-type: none"> 1. United States 2. Japan 3. Germany 4. India 5. France 6. Turkey 7. Belgium 8. The Netherlands 9. Spain 10. Italy 11. Canada 12. Switzerland 13. Australia

Source: Author elaboration, based on data obtained in the study of ATK (2015) The 2015 Global Retail E-Commerce Index and Market Finder, a tool that collects data from official web sites of international organizations.

2.3. Analysis of the countries with the highest participation in e-commerce

An analysis by geographical area of the countries that were previously identified as having the highest participation in electronic commerce worldwide will be carried out. For this purpose, Market Finder a Google tool, which gets and includes data from the World Bank, United Nations, CIA World Factbook, Transparency International, World Economic Forum, among other official web sites so that the data of each country with potential market for the internationalization of mat collars and tupos. Within this, it will be detailed, the preferred payment methods by people in different geographical areas, the amount of monthly online searches made by people with terms related to antique jewelry, handmade, import and export, brooches and pins, which can be the best demand indicator and market opportunity, in addition to shows a survey of people who have confirmed having made or not online purchases abroad. In such a way that it can be determined in which markets the selected crafts present sufficient demand and the adequate strategies for international marketing to achieve a positive impact in these delimited areas.

2.3.1. North America

In both Canada and the United States, electronic commerce is a field that has an upward trend. The only difference is that the American online market is saturated, but has a constant and potential demand to project its entry to new countries easily; while the Canadian online market is expanding. When it comes to the online market in Canada, consumers are increasingly dependent on the internet for their purchases. That is why the vast majority of retail companies in this country have chosen to start using technology based on B2C sales, B2B and online customer service in order to improve relations between consumers and their companies, which is attributed to the incessant demand from customers for personalized products of better quality and with distinctive attributes. In recent years, online sales have increased in traditional retail sales. However, almost half of the retail company in Canada does not yet have its own website to market its products and services (Mohammad, 2018). In the United States, retail sales in 2017 reached an approximate amount of \$ 5.076 billion, although the highest amount of profits (\$ 189,610 million) was generated by Amazon, one of the giants of electronic commerce (Gutiérrez, 2018). There are several trends in electronic commerce in this country that are becoming stronger in the face of achieving deeper

relationships with their customers; avoiding that there is only interaction through a screen, as is the personalization of the experience of the purchase, also web pages must be mobile friendly, their social networks and digital platforms must have quality content, resulting in a great traffic of customers in their online stores, in addition to providing confidence to the clients (Paredes, 2018).

Table 24: Country file- North America

Indicator	Countries	
	U.S	Canada
Population	325.6 million	36.5 million
Language	English (95%), Spanish (10%)	English (82%), French (21%), Italian (2%)
Currency	USD	CAD
PIB	\$ 19.9 trillion	\$1.8 trillion
GDP per capita	\$ 61 thousand	\$48.4 thousand
Unemployment rate	5.0%	6.8%
Global competitiveness index	5.7/6	5.3/6
Preferred payment methods	Credit Card 33% Debit card 23% Electronic wallet 21%	Credit card 57% Electronic wallet 12% Bank transfer 9%
Google monthly searches	21 million	6 million
Frequency of online abroad purchases	Once a year, 31.4%	Once a year 56.8%

Source: Author elaboration collected by Google Market Finder (2018), from the official web sites of the World Bank, United Nations, CIA World Factbook, Transparency International, World Economic Forum, among others.

Table 24 above shows the most relevant data to prepare the profile of the North American countries that have relevant participation in electronic commerce. These suggest that the market is larger in the United States than in Canada. However, the latter is one of the fastest growing online markets in recent years. In turn both show a high global competitiveness index, the currency of both countries is stable, likewise its economy. The preferred payment methods among online shoppers tend to be a bit similar. Regarding the online searches of the aforementioned terms, the amount is higher in the United States with 21 million searches on Google. But Canada is the country that purchases most products other countries, as well as being one of the countries that most value the handmade.

2.3.2. European continent

On the European continent, the electronic commerce industry has experienced significant growth. According to the European E-commerce Report (2018), total billed increased by 11% in 2017, that is an estimated value of 534 billion euros in online sales. The projections for E-commerce in 2018 expect the percentage to increase to 13%, which means a value of 602 billion euros at the end of

this year. However, Western Europe countries have more presence in digital commerce, they represent 68% of the volume of retail sales at the continent level. The rest of areas such as Northern, Eastern and Central Europe show sales in smaller proportion, but it has a rapid growth.

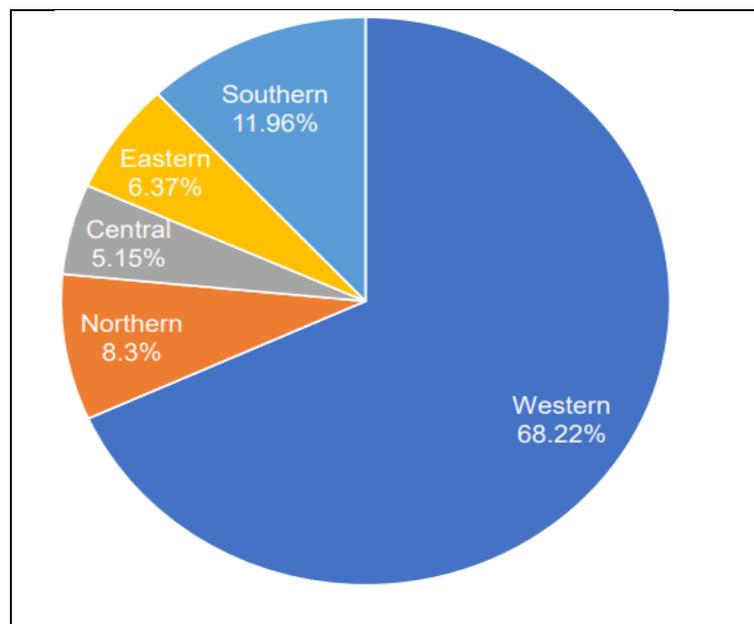


Figure 12: Western Europe, the largest e-commerce market

Source: European E-commerce Report (2018)

In addition, the countries that dominate e-commerce are Germany, France and United Kingdom, which together represent a little more than two-thirds of the volume of online sales. Each of them generates 93 billion, 93.2 billion and 178 billion of euros respectively, becoming the leaders with the best online market in Europe (Ecommerce Foundation, 2018). It is appropriate to mention that the most attractive marketplaces for users in Europe are Amazon, eBay, Aliexpress, Etsy, where the textile sector turned out to be the most lucrative segment in digital commerce. The countries that make the most online cross-border purchases are Portugal, Switzerland, Iceland, the Netherlands, Germany, among others.

However, there are some challenges to overcome in the region about how to make e-commerce safer and more reliable when establishing relationships between companies and customers, such as the speed of deliveries that usually take more days than indicated, problems with fraud, poor post sales service, products or service in poor condition, complaints and problems not addressed as unsatisfactory.



Figure 13: Cross-border purchases still have challenges to overcome

Source: European E-commerce Report (2018)

In table 25, it is possible to see the profiles of the European countries that have had the most relevance in buying and selling online in recent years. The most suitable countries with the largest market are Germany, France, the United Kingdom, Italy, also they have the highest global competitiveness index in the region, which measure the factors that generate productivity, international openness, technological readiness and recognize to the best economies. These countries have the most searches through Google with the terms antique jewelry, handmade, import and export, pins and pins, 10 million in Germany, 9 million in the second one, searches in the UK reach 11 million and in Italy they go up to 8 million, which reveals a market or demand opportunity. In the same way, these countries share a similar pattern in terms of the preference of payment methods, users of digital platforms believe better to use debit cards, credit and electronic wallet for their convenience

Table 25: Country file –Europe

Indicator	Countries									
	Germany	France	Italy	The Netherlands	Switzerland	Spain	Belgium	Sweden	Denmark	United Kingdom
Population	81.7 million	64.8 million	60.7 million	17 million	8.3 million	46.3 million	11.4 million	10 million	5.7 million	65.8 million
Language	German, English, French	French, English, Spanish	Italian, English, French	Dutch, English, German	German, Swiss German, English	Spanish English, Catalan	English, Dutch, French, German	Swedish, English, Finnish	Danish, English, German	English, French, German
Currency	EUR	EUR	EUR	EUR	CHF	EUR	EUR	SEK	DKK	GBP
GDP	\$3.6 trillion	\$2.6 trillion	\$1.9 trillion	\$798 billion	\$711.7 billion	\$1.3 trillion	\$492.3 billion	\$552.9 billion	\$ 322.9 billion	\$3.1 trillion
GDP per cápita	\$44.6 thousand	\$40.5 thousand	\$32 thousand	\$46.8 thousand	\$85.9 thousand	\$28.2 thousand	\$43.3 thousand	\$55.3 thousand	\$ 57 thousand	\$47.7 thousand
Unemployment rate	4.8%	9.7%	12.0%	6.9%	3.4%	19.9%	8.1%	7.5%	5.2%	5.4%
Global competitiveness index	5.6/6	5.2/6	4.5/6	5.6/6	5.8/6	4.7/6	5.3/6	5.5/6	5.3 / 6	5.5/6
Preferred payment methods	-Bank transfer 40% -Electronic wallet 19% -Credit card 15%	-Debit card 30% -Electronic wallet 23% -Credit card 18%	-Credit card 33%. -Electronic wallet 18%. -12% prepaid card	-Bank transfer 69% -Credit card 7% -Pay against card 6%	-Credit card -Wire transfer -Debit	- Debit card 24% -23% credit card -Electronic wallet 21%	-Credit card 31% -Debit card 24% -Bank transfer 17%	-Debit card 41% -Transfer bank 16% -15% electronic invoices	- Bank transfer 25% - Debit card 25% -22% electronic wallet	-Debit card 41% -Wallet 22% electronics -Credit card 16%
Google monthly searches	10 million	9 million	8 million	3.5 million	2.5 million	6.5 million	2 million	2.5 million	2 million	11 million
Frequency of online abroad purchases	At least once a year 23.7%	At least once a year 30.9%	At least once a year 45.1%.	At least once a year 32.8%	At least once a year 48.2%	At least once a year 44.3%	At least once a year 46.2%	At least once a year 35.9%	At least once a year 44.1%	At least once a year 38.1%

Source: Author's data collected by Google Market Finder (2018), from the official web sites of the World Bank, United Nations, CIA World Factbook, Transparency International, World Economic Forum, among others.

2.3.3. Asia continent

Within the Asian continent, especially the Asia Pacific region, nowadays it is one of the markets considered as leaders in the field of electronic commerce, that in turn, have their users immersed in the online purchase and sale of services and products, Asia became the occupant of the first place in the global ranking of consumption via internet. In this geographical area there is an advantage, the most optimal conditions in order to carry out e-commerce, as is the high penetration of the network, the speed of online browsing, in addition to the generalization of online sales of all kinds of products and services that satisfy customers (Hera, 2017).

According to KPMG, in the Global Report on Internet consumers (2017), it mentions that 70% of users in this region consume exclusively through e-commerce, compared to the western part of the planet who mostly prefer to have a link with physical stores to establish a good relationship with their website. Regarding cross-border purchases outside of Asia, the countries that top the list are Hong Kong with 31%, Singapore with 43%, China with 20% of online transactions from abroad, aspect that grows to leaps and bounds throughout the region. This is largely due to the great references of electronic commerce such as Alibaba or Aliexpress, becoming essential tools when buying online safely.

According to the Global E-commerce Report (2018), the challenges that must be overcome in this geographical area are the personalization of products and the service offered to users, which must have an excellent after-sales service, as well as to work on their distinctive features that add more value to them because there is a large percentage of people who buy products abroad which are concerned about the quality and originality of the products available. However, the most important thing is to know how to manage a sustainable business model that adequately manages the growth of electronic commerce in Asia. It should be mentioned that one of the future challenges in e-commerce, is the omnichannel of the platform to improve the shopping experience, coordinating all areas of the company, being consistent both online and offline.

Table 26: Country file - Asia

Indicator	Countries					
	China	Japan	Singapore	South Korea	India	Russia
Population	1.41 billion	125.9 million	5.6 million	51.1 million	1.31000 million	143.7 million
Language	Chinese (6%), Chinese Wu (6%), Cantonese (5%)	Japanese (95%)	English (96%), Chinese (80%), Malay (14%)	Korean (100%)	Hindi, English, Bengali	Russian (90%), Tatar (1%)
Currency	CNY	JPY	SGD	KRW	INR	RUB
GDP	\$12.9 Trillion	\$ 4.5 trillion	\$328.6 1000 million	1.6 trillion	\$2.8 trillion	\$1.5 trillion
GDP per cápita	\$9.3 thousand	35.7 thousand	\$58.7 thousand	\$31.6 thousand	\$ 2.1 thousand	\$10.6 thousand
Unemployment rate	4.1%	3.8%	2%	3.3%	8.8%	6.0%
Global competitiveness index	5/6	5.5/6	5.7/6	5/6	4.5/6	4.5/6
Preferred payment methods	- Electronic wallet 56% -Credit card 11% - Debit card 11%	-Credit card 56% -Bank transfer 16% -Traditional payment 13%	-Credit card 60% -Bank transfer 9% -Payment against delivery 9%	-Credit card 55% - Debit card 11% -Other 8%	-Bank transfer 27% -Payment against delivery 22% - Debit card 14%	- Debit card 36% -25% electronic wallet -Payment against delivery 15%
Google monthly searches	350 thousand	9 million	1.5 million	2 million	16 million	5 million
Frequency of online abroad purchases	At least once a year 32.5%	Once a year 13.9%	At least once a year 67.3%	At least once a year 38.5%	At least once a year 10%	At least once a year 39.4%

Source: Author's data collected by Google Market Finder (2018), from the official web sites of the World Bank, United Nations, CIA World Factbook, Transparency International, World Economic Forum, among others.

In the previous table, it is possible to observe the most relevant data from Asian countries that have more presence in the e-commerce, as well as being strong economies worldwide. In the six countries selected, the market is quite broad, in addition to being the most demanding in terms of the online shopping experience. The indexes of global competitiveness in four of them are high, led by Singapore, Japan and followed by China and South Korea, which shows the dynamics and development that these economies have had in several aspects that make them optimal markets for electronic commerce. Although cultural proximity to Ecuador is not even close, apart from distance, this influences the possibility of obtaining a market opportunity with potential demand for the selected crafts, due to the fact that they are very different from the products that by custom have available. According to the monthly searches on Google engines related to the aforementioned terms, there are three countries where they have been most attractive, as in India, Japan and Russia (Market Finder, 2018). When it comes to preferred payment methods in this area, the electronic wallet and the use of credit and debit cards are the most accepted for online purchases.

2.3.4. Rest of the world

Within the countries that are outside the geographical areas mentioned above. There are two countries, Turkey and Australia, being able to make a more focused analysis of these territories in the area of digital commerce. According to the Turkey Ecommerce Report (2017), of the users who make online purchases in this country, 75% of them take into account the costumers reviews, visit blogs and other web pages to obtain more information before making a purchase, also A 90% of them do not buy through advertisements or advertising without ates to be very clear about what they are going to acquire. The preferred method of payment in Turkey is the credit card, which provides greater comfort and confidence to people. With regard to the sectors that have made the most sales, it is the technological market followed by that of fashion, with \$ 1968.70 million and \$ 1033.20 million respectively.

Australia is one of the most interesting online markets worldwide, the key aspects to enter this market are the quality of logistics and online infrastructure, the transparency in the purchase process and efficiency in customer service. The regulatory environment of the country is favorable for online business, so the quality of the content must be relevant and in the local language for better acceptance. The most popular items among online shoppers are the items for home with 30.1% preference for people, followed by the products offered by the fashion sector with 22.2%.

In the last two years, social networks have produced positive results in online purchases, since they have contributed 41.9% in the search for products and services that have led to a transaction.

Table 27: Country file - Rest of the world

Indicator	Países	
	Turkey	Australia
Population	79.4 million	24.5 million
Language	Turkish (94%), English (18%), Kurdish (6%)	English (90%), Traditional Chinese (2%), Italian (2%)
Currency	TRY	AUD
GDP	\$841 billion	\$1.3 trillion
GDP per cápita	\$10.6 thousand	\$ 54.1 thousand
Unemployment rate	11.3%	6.0%
Global competitiveness index	4.4/6	5.2/6
Preferred payment methods	-Credit card 76% - Debit card 6% - Electronic wallet 6%	-Credit card 34% -21% electronic wallet -Bank transfer 16%
Google monthly searches	7.5 millones	5 million
Frequency of online abroad purchases	At least once a year 30.2%	At least once a year 69.4%

Source: Author elaboration, based on the data collected by Google Market Finder (2018), from the official web sites of the World Bank, United Nations, CIA World Factbook, Transparency International, World Economic Forum, among others.

In table 27, it is observed that the interest of the people for handmade jewelry demonstrated by monthly searches in Google, is quite high in both countries. However, Australia represents a stable economy with a higher global competitiveness index than Turkey, which will facilitate access to this market and allow the investments made to be profitable. In addition, Australia is one of the countries that makes more cross border purchases; it should be added that this market mostly appreciates or value things that are not made in bulk, but rather there is a high preference for what is done by hand, with unique characteristics and history in between. What makes this country one of the most attractive for the internationalization of the project to market mat collars and tupos.

2.4. Countries selection

According to what is established in the previous tables and analysis, ten countries will be selected where the online market is more attractive, and then list will be reduce to the five best markets for electronic commerce. For this, selection criteria will be established that will be scored from a maximum of 5 points, this being the "most favorable" and 1 as "unfavorable".

Table 28: Selection of favorable countries for electronic commerce

Standard	Countries									
	United States	Canada	Germany	France	Italy	United Kingdom	China	Japan	Singapore	Australia
Geographical proximity	5	5	3	3	3	4	4	4	3	4
Cultural proximity	4	4	3	3	3	4	3	3	3	4
Economic situation	5	5	5	3	3	4	4	5	5	5
International freight price	5	5	3	3	3	4	3	2	2	3
No. of Google searches with related terms	5	3	3	3	3	5	2	5	2	4
Value of "handmade"	5	5	3	3	4	5	3	3	5	5
Information availability	5	5	4	3	3	4	5	3	4	5
Total	34	32	24	21	22	30	24	25	24	30

Source: Own elaboration, based on the methodology proposed by Sánchez (2014), with added criteria according to the needs presented by the internationalization project.

Once the countries have been selected, the possible cities will be determined to internationalize the project in a general way. For this purpose, within the five countries, the most suitable cities for starting startups or e-commerce will be delimited.

Table 29: Target market (countries)

Países/Mercados	Ciudades/ Regiones
1. Estados Unidos	Austin, Las Vegas, Denver, New York, Seattle, Boulder, Provo, Chicago, San Francisco, Boulder
2. Canadá	Toronto, Cambridge, Montreal, Ottawa, Vancouver, Halifax, Hamilton, Gatineau
3. Reino Unido	Birmingham, Liverpool, Manchester, Leicester, Edinburgh, Bristol.
4. Australia	Sydney, Melbourne, Brisbane
5. Japón	Tokio, Osaka, Fukuoka

Source: Author's based on the methodology proposed by Sánchez (2014), using information provided by different authors (Bowman, 2017) (Simpson, 2018) (Dunsby, 2017) (Holderness, 2018) (Gilchrist, 2018)

2.4.1. Market segment

Once the countries were determined where the project should to start internationalizing the project of the two handicrafts through e-commerce, where five countries were chosen, Canada, United States, United Kingdom, Australia and Japan, it was essential to segment the market to reach the potential client with greater focus, because the nature of the two handicrafts are purely for the exclusive use of women, it was decided to find the age range to which they may be interested besides having a taste for handmade jewelry and those who are in the possibility of paying the prices to which the products will be offered in the online store. Consequently, the ideal client for this e-commerce project are women in the ages between 24 to 55, who like the handmade trend, and are fully aware of what the fair trade movement does with the small producers, in this case with the saraguros artisans.

2.5. Orange or creative economy, generates economic growth

The term orange or creative economy is usually used in Latin America and the Caribbean, which refers to the set of activities that are based on creativity, a trend that takes strength in the region. Frequently, the contribution of creative activities to the modern economy is not recognized. According to the Inter-American Development Bank (2018), there is still no conceptual framework

to determine the importance of creative activities and verify the role played by social actors related to this trend and show the broad relationship between creativity and innovation. Because the orange economy recognizes creativity, art and culture as productive initiatives, as well as the protection of intellectual property rights and finally the role of these activities in the value chain to turn ideas into products.

As can be seen in figure 14, there are three categories. First, the traditional and artistic activities, which focus on conserving the tangible and intangible cultural heritage of a place. Then there is the creative industry, composed of cultural activities whose result and value is measured by its high imagination embodied in the content, within them there are two subcategories, the cultural industry, which includes handicrafts, audiovisual, editorial and phonographic; while functional creations include aspects not necessarily related to culture. Finally, there are creative support activities, which refers to what is part of the value chain of cultural development such as marketing and advertising. In this way, the orange economy represents a contributor of added value, increased employment, exports and investments, as well as being a driver of economic development.

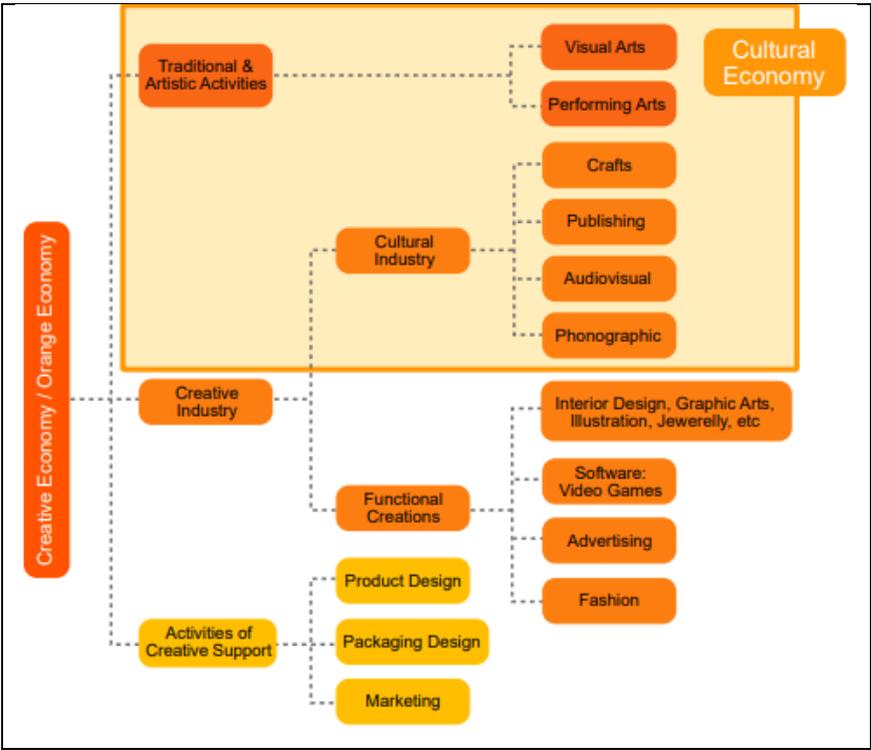


Figure 14: Definition of Creative Economy

Source: Inter-American Development Bank, 2018

According to the Ministry of Culture, Media and Sports of the United Kingdom (2011), the creative industry is the one that originates in the creativity, imagination, talent and capabilities of each person, which can increase employment opportunities and development. That is why creativity and innovation go hand in hand, opening a path to the concept of soft innovation, where two categories are identified; the first is innovation within the creative industries, which as a result have an aesthetic rather than a functional value. The second is produced through creative support activities, which reveal the way in which people perceived the functionality of the product and its changes in external aesthetics. However, in the traditionalist theory of innovation, these changes are not synonymous of innovation.

One of the biggest challenges is to find a way to measure the contribution of the orange economy to each country, due to the fact that they produce an intangible value and it is underestimated, besides that official information is almost nil. Measuring the non-commercial value of cultural products and services is complex, since it is not well reflected in prices, as it is in the performing arts, museums, libraries, cultural and natural heritage, tourism and cultural festivals. In recent studies it was reported that in Latin America and the Caribbean the industry generates \$ 124 billion, in addition this sector gives 1.9 million jobs throughout the region (Banco Interamericano de Desarrollo, 2018).

2.5.1. "Handmade" trend

Due to industrialization, the advancement of technology and consumerism has made manufactured products once again take leadership in national and international trade, which is a great advantage for Ecuador since a large diversity of cultures and traditions can be found, which enhances the cultural value of handicrafts made within the country. The tendency to buy handmade before something made in mass has been evolving with firm step. Since there is a strong wave of people especially in the North American and European market that seek to connect with cultures, places and ancestral knowledge. That is to say that the item they buy must have a history that differentiates them and makes them unique in their class. What happens is that a product that represents creativity, originality and that stands out for its particular characteristics, makes something made in a traditional way to become something valuable and special to obtain.

The properties that make something unique are usually associated by people as a synonym of exclusivity; these tend to have slightly higher prices for products that can be found in stores that offer mass-produced items. At a global level, one way or another has come to realize that craft

work is equivalent to patience, skill and ethics. All this with the purpose that the final customer acquires a high quality product and perceives the cultural identity of where this product comes from, as well as generating income for artisans through the preservation of their culture and traditions (Vides, 2014).

2.5.2. Fair Trade, the way to link small producers to the market

The way in which international trade occurs globally is not equitable, because each country has unequal rules. The notable difference between the North and the South each time becomes more marked. The first works under the characteristics of efficiency and competitiveness while the other is the source of raw material and affordable labor, after this type of trade poverty rates increase every day. Fair trade was born with the purpose of promoting decent lifestyles and making consumption responsible and sustainable, as well as providing transparent conditions for small producers who have access to different sectors of the market. There are several types of fair trade products, such as food, handicrafts, textiles, furniture, stationery, etc. which as a result has a great diversity of items at an honest price.

Several principles must be met to be able to sell an article. This is where this social name begins, in the first place, there is the creation of opportunities for producers with economic disadvantages, there must be transparency, building a means to promote the independence of the producer, agreement through dialogue to establish fair prices for products, provides information about the company, products and how each article is manufactured, gender equality must exist without question, the existence of child labor or forced labor is unacceptable, promotion of the improvement of environmental practices and the promotion of long-term relationships with producers based on solidarity, trust and mutual respect.

In the same way there are criteria, such as ensuring that all producers receive prices that allow them to cover average production costs, invest in projects that improve socio-economic and environmental development. Pre-financing should be given to those who require it, in addition to determining basic requirements that guarantee that all products certified as fair trade are sustainable and responsible. In Latin America and the Caribbean there are only three countries that are among the ten nations in the list with the largest number of producers and fair trade workers, these are Mexico, Colombia and Peru (Coordinadora Latinoamericana y del Caribe de Pequeños Productores y Trabajadores de Comercio Justo, 2017) .

	2013-2014	2014-2015
Total fair trade organizations Fairtrade	1226	1240
Producers	1 448 363	1 466 127
Workers	203 389	195 701
Total of producers and workers	1 651 752	1 661 828
Countries with fair trade producer organizations	74	75
Fairtrade		

Figure 15: Organizations and fair trade workers globally

Source: Coordinadora Latinoamericana y del Caribe de Pequeños Productores y Trabajadores de Comercio Justo, 2017

As shown in figure 15, there are 75 countries that are working under the principles of fair trade, emphasizing that there are only few companies within them that do so. Around the world, the total number of fair trade organizations reaches 1240, a very small number of organizations that seek to provide dignified working conditions and seek the development of sectors that are at a disadvantage compared to the international marketing system. Figure 16 shows that Africa and the Middle East are the territories with the highest percentage of producers and workers operating under these principles, which is attributed 64% worldwide, followed by Latin America and the Caribbean with 21% and Asia Pacific with 15%.

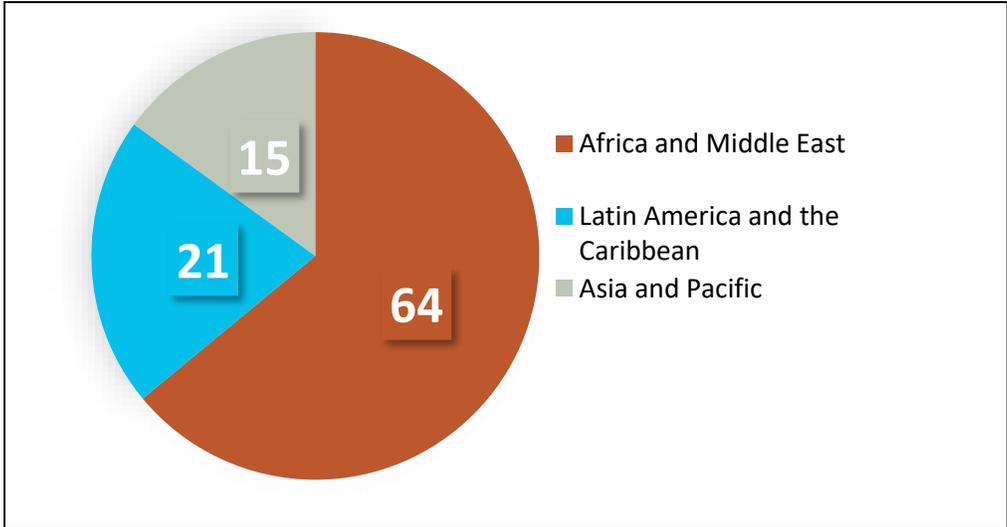


Figure 16: Percentage of fair trade producers and workers by region

Source: Coordinadora Latinoamericana y del Caribe de Pequeños Productores y Trabajadores de Comercio Justo, 2017

	Absolute amount	Percentage
Africa and Middle East	32 392 962	23
Asia and Pacific	14 035 435,2	10
Latin America and the Caribbean	95 815 356	67
Total	142 243 753,2	100

Figure 17: Fair trade premium paid to producers and workers (2015)

Source: Coordinadora Latinoamericana y del Caribe de Pequeños Productores y Trabajadores de Comercio Justo, 2017

Although Latin America and the Caribbean is the second continent with more producers and workers under the principles of fair trade, it is the first to generate premiums for each of its participants with 67% among the three countries, followed by Africa and the Middle East with 23% and in third place Asia and Pacific with 10%.

2.6. Antecedents of e-commerce in Ecuador

Information about the situation of electronic commerce in Ecuador is scarce because the development of e-commerce is incipient, but it has improved lately. There are several reasons why Ecuadorians make online purchases in a lesser proportion than other countries. For example, 29% of people lack knowledge of how to make purchases online, 53% require a return guarantee and exchange to make online purchases, 41% of people demand guarantee of confidentiality of information, as the distrust in the forms of payment is high, adding to that the fear of being scammed or cheated and 26% need customer service during the purchase. In addition, in the country there is a very large trend of preference to tangible products represented by 50% of people. In Ecuador there are many barriers to be destroyed and roads to walk that should be focused on education, security and user confidence to accelerate e-commerce in the country. The international portals are the favorite of Ecuadorians to make an online purchase, it should be noted that the recommendations of friends and family to make purchases on the internet are very influential in Ecuador (Universidad Espíritu Santo, 2017).

2.7. Implementation of e-commerce for the internationalization of mat collars and quotas

International electronic commerce is growing by leaps and bounds and it is not only a matter of the big e-commerce businesses, this is also a success for retailers and manufacturers who sell their products worldwide to the final customer through the internet. This trend is increasingly accepted by people, in fact, one in seven online purchases is international. In 2015, e-commerce reached

300.00 million dollars of products in gross value (MVB2). It is estimated that by 2020 e-commerce will reach 900 billion dollars MVB; that is, one of five dollars produced by digital commerce are generated internationally. The demand for products from other countries will gradually increase, as this promises efficiency in logistics and accessible costs to the end customer (DHL, 2017).

There are several motivations to acquire products abroad, one of them is the behavior of consumers, these have become more sophisticated buyers, because they buy in a conscientious way, looking for the ideal electronic merchant. In addition, they take into account factors such as availability, quality, attractive offers of the product and the trust offered by the online store or brand. For an online store it is not so easy to generate confidence with international clients, it is not impossible to achieve it, but it depends in large quantity on the size and brand of the online store, which is why small manufacturers are at a disadvantage compared to the big ones of electronic commerce. That is why they need a logistics partner with a broad track record, in addition to taking advantage of the prestige of trusted brands on their website, such as security certificates, payment methods known in the region (DHL, 2017).

2.8. Business model in electronic commerce

When carrying out the creation of the online store, it is essential to decide the e-commerce business model that is going to be used, which allows optimizing the purchase and sale of the products offered to the customer, among others. There are three strategic models that make the web platform successful, these are in house, integrated and outsourcing.

The in-house model is about a way in which the control over electronic commerce has the company at all times, it means the know-how is generated by and for the company, and is usually adopted by companies that have achieved a significant volume sale, in addition to having extensive knowledge in the world of e-commerce.

Secondly, there is the integrated model, in which the company subcontracts several aspects of the web platform, such as payment methods, shipping logistics, marketing. However, areas such as customer service, operations and action plans are maintained by the company. This is the method that companies use when they start in the digital world

The outsourcing model, on the other hand, the company delegates to a third party the commercialization of its products, there is no total control of the operations, the intelligence

generated by the platform is not cultivated, in addition to an inexistence of a database, which is essential for the future of the brand (Giménez, 2018).

After analyzing the three most outstanding e-commerce models at present, it was decided for the internationalization project to use the intergrated model for showing better adaptability and benefits for online store in the process of creation. Among the benefits of the chosen model is the acceleration of obtaining results given by the alliances with suppliers of logistics services of shipments, means of payment and marketing, you get feedback for the development of the online store, there is a complete control of the value in terms of sales, making quick decisions on the marketing of the products, among other advantages.

2.9. Electronic commerce and crafts

Generally, the channels most used by artisans to market their crafts is usually direct sales to the customer by prior order, this is used by 94.4%, secondly, there is direct sales to the customer in the workshop, used by 64.7%, then we have to the sale to retailers with a 51.7% and the commercialization by own sale, carried out by a 31.4% of the artisans. With regard to the sale through online platforms is only used by 29.3%, which shows that the online sale of handicrafts is still incipient compared to other sectors that have already intruded into the e-commerce (El Mercado Artesano, 2016). Undoubtedly, the opportunity offered by electronic commerce for the commercialization of hand-made articles or commonly called handicrafts is quite broad, although in Ecuador this has not been exploited to the maximum, since it has evolved from a slower way compared to other countries where online sales and purchases are more common among people of all ages. Through e-commerce it has been possible to eliminate geographical barriers, speed in terms of logistics and the facility to present the product to potential customers through digital platforms that accelerate the purchase process.

2.10. Conclusions

- In this chapter it was possible to specify the most optimal form of international online market entry for this project: diversification, since the number of clients in each country is small and it is better to be present in as many markets as possible in order to have more international reach and position the online store in the minds of potential customers as a benchmark of fair trade and products with a history worthy of value.
- The online market, is one of the sectors that grows by leaps and bounds around the world, it is for this reason that to start the internationalization of the selected crafts it is essential

to determine an exact number of countries to offer the product at the beginning, These are Australia, Japan, United States, Canada and United Kingdom, which are the territories that have the most presence in electronic commerce, in addition to showing greater amount of interest in the concepts of electronic commerce and handmade trend.

- Orange or creative economy is a concept with great potential to generate employment, development and put everything related to culture, creativity and arts in Latin America and the Caribbean within the category of sectors with the capacity to evolve to reach indexes of significant growth that contribute positively to the GDP of each country and regionally. This aims to convey the intangible value of cultural activities so that their price reflects all the work and intellectual property that it includes, since in the commercial field does not take into account these aspects, overlooking the possibility of expanding the value chain of these products and services.
- The fair trade movement is a global concept that is beginning to be stronger with the passage of time, because it is synonymous of hardworking, honesty work and good working conditions, in addition to setting its criteria in the eradication of child labor and forced labor, gender equity, as well as the determination of fair wages and the improvement of the life quality of small producers, fostering productivity and independence of creators through the support of new technologies and efficient training.

Chapter 3: Digital Marketing Plan - Creation of the Online Store

Introduction

"At first, E-Commerce served to find products online as conveniently as cheaply as possible. Now, we are in the most exciting phase of E-Commerce where people are looking for emotional products, things that they really appreciate. "
- Jason Goldberg

We are in the boom of electronic commerce, which is being expanded to all corners of the world at a fast rate, commercial opportunities to large and small producers that seek to expand locally and beyond their borders. These can benefit from the advantages that this mechanism offers, such as purchases from the comfort of their homes through mobile devices or any other that allows them to interact with virtual reality.

This chapter will show the development of the online store that will market the mat collars and the tupos manufactured by Saraguro artisans. Ideal parameters are described to create a website and which criteria it must work in order to have a proper and profitable operation. It establishes the steps that must be followed to create an online store through the services of a web developer, which provides facilities for use such as predesigned templates, in addition to the contents of the online store and the costs that involve making the website available for the public.

After that, the fundamental aspects to carry out the execution of the project are analyzed, such as the online ordering system, secure payment methods for an online store, international shipping logistics, essential factors on which the marketing model is based on the selected crafts. In this way, the best options in the market are exploring the tools that meet the project needs and offer the best service to target customers that visit the online store.

Once the analysis of the alternatives is carried out to start the project, it is imperative to look for the best methods to promote the project, the online store, the values and history of the products that will be offered at an international level. Then it is necessary to investigate the most successful, influential and updated forms of marketing that positions a website that attracts traffic users and potential customers to the online store.

3.1. Goals

- Create an online store for the merchandising of mat collars and tupos of Saraguro.
- Optimize the positioning of the online store within search engines, in addition to using social networks for international broadcasting.
- Establish a business model for the project that reflects economic and financial profitability.

3.2. Strategy

Nowadays, the use of the tools provided by the internet combined with a marketing strategy based on digital media gives the project the opportunity to obtain a fairly clear knowledge of the online market where it is intended to reach as well as the trends and changes that arise in e-commerce. In this way it is possible to get essential data to determine to whom the two selected products are targeted, such as the tastes, preferences, interests, consumer behavior, trends and changes in the electronic market that are essential when internationalizing the project.

The digital marketing strategy is based on getting to know each potential and real customer as much as possible, focusing mainly on those who register a high number of online purchases of handmade items that work under the concepts of fair trade. Information that will allow to establish specific operations in each area of the project with respect to the application of digital tools to internationalize the crafts sale. Different strategies are formulated to be used in the project development, contemplated in the context of the international marketing mix.

Regarding the products that will be offered in the online store, the strategy to be used will be to market them applying the criteria and principles of fair trade, in such a way that each artisan gets a fair payment for his or her work, in addition to using the service of personalization of mat collars or tupos to satisfy the tastes of each client interested in acquiring these items. Each craft will carry with it its description of characteristics and history that make it unique in its nature, accompanied with quality photographs.

As a strategy of place or distribution, an alliance will be made with an international logistics company with presence in the largest number of countries around the world, to obtain more economic shipping rates for the products distribution and to obtain attractive prices to the public. In addition, it must offer shipping security and an accurate delivery time to each destination. For the promotion of the project, a digital marketing campaign will be carried out that combines the

different tools provided by the internet and social networks to adequately reach the target market and attract new customers as well as to retain them by offering quality products and service including a good shopping experience in the online store. The project will use web positioning tools such as SEO and SEM, email marketing campaigns, social networks, offline advertising, international fairs. As for the price, discounts and promotions will be constantly made to increase the sales of the two handicrafts offered. Additionally, one of the main concepts that will be used permanently is that from the purchase of two or more items the shipment will be free to any destination.

3.2.1. Segmentation and target

The strategy is aimed especially for women between 24 and 55 years old, who make purchases of handmade jewelry online. In addition, they should be fully aware of the great historical value of these two articles, in the same way that they have knowledge of what the fair trade movement does with small producers around the world.

3.2.2. Positioning

This project seeks to position itself at the national and international level as an Ecuadorian online store that sells crafts from Loja under the principles of fair trade and the promotion of the orange or creative economy, and will also customize the products according to the tastes and preferences of the clients. The name of the online store that will help for the positioning is *Deep in the Andes*, which is written in English to have greater acceptance in the international market. The services that the digital platform will be promoted through digital means.

3.3. Marketing Mix

The marketing mix is a concept that includes a set of tools that serve to achieve the objectives proposed by the project. It consists of four p's, which represent the four pillars of a marketing strategy, these are: product, price, place and promotion. In the first one, some solutions are proposed to make the product portfolio more attractive, such as modifying, eliminating and launching new products. With regard to the price, it is where the values of each item that will be offered in the online store are fixed, which has a direct influence on the sales and income of the digital platform, as it reflects the profitability of the project. This section takes into account information about costs, competition and demand for products.

What refers to the place or distribution includes making available to the target customer the products in less time possible, in the place required and more effectively. This is where the

distribution channel and the logistics involved in the international shipment of handicrafts are determined. Finally, the promotion refers to the communication between the online store and customers about the products and services it offers to meet the needs of people interested in purchasing the items (Llamazares, 2016).

3.4. Product

All the products are manufactured by saraguros artisans, from the province of Loja, on whom depends the design, size and price of each craft. Each product, has different designs and sizes, will make the product offer an exclusive design since the objective of the online store is to offer the customer a unique and personalized product, that is to say that the combinations of colors, designs and manufacturing techniques will be presented on the platform as exclusive. The products that will be available on the website are the following:

Tupos

The raw material is silver or nickel, women usually use it to hold the cloth they use is their back and chest, this is adorned with a long chain that rotates around the neck. Another function that fulfills besides being part of the dress of the indigenous woman, is that of being able to be used as a weapon in case of being attacked.

Mat collars

Ancestral garment of "Saraguro" women used around their throat. The colorful designs and their sizes depend on each artisan who makes them. Each of them has different techniques for making them and different types of materials are used, such as beads, canutillos and chaquiras. Making necklaces for their own use or sale refers to a family activity (Ministerio de Cultura del Ecuador, 2011).

3.4.1. Necklace making techniques

Rainbow necklace

This type of necklace is one of the most common among the inhabitants of Saraguro, because this resembles the colors of a rainbow, it shows the undeniable creativity to create colorful shapes and patterns. The designs always vary depending on the taste and imagination of the craftsman who makes them.

Process

- Before starting the beads fabric, the needle is threaded with two threads and beads of two different colors are inserted to start the pattern.

- It starts with a row of beads of black color, then in range dark blue, medium blue and light blue is placed. It includes three ranges of red, strong, medium and clear. To separate the colors, black or yellow beads are inserted.
- For the second row the thread must be one by one and the beads must be of a different color to start another range, take four beads and pass them with the thread underneath, then pass two or three beads of the row previous, the last bead of the four has to be insured in itself and continues with the fabric.
- The third row starts with five beads to make the "descent" inserting the beads one by one, then the needle is passed below the third bead from the previous row. The following rows are made by taking five or more beads to expand the fabric.
- In order to finish the necklace, three beads are taken, ending in itself and continuing the row until the fabric is finished (Jiménez, 2014).

Triangle necklace

Process

- The brooch is made first, for this the needle is passed through a large bead with three more beads, the third of them is insured in itself, this procedure is repeated several times until the large bead is fully covered.
- Then the beads are passed one by one, in a length of 46 centimeters; at the end of the row twelve beads are counted and the last one must be insured in itself. Subsequently, ten beads are passed, where the last bead must be secured with the tenth of the first row, the same procedure is repeated once more, in order to obtain the first three buttonholes of the collar.
- For the first row, five beads are taken and with the thread underneath the needle is passed through the third bead of the previous row. Repeating the same procedure, the first eight triangles are formed. After that with five beads that are secured in the space that remains after passing four beads of the initial row, thus until culminate the first row.
- The second row starts with five beads, the last one is assured in the third bead of the previous row, the same procedure is repeated seven times forming triangles. Then nine beads are secured in the first triangle of the previous row, that way until the end of the row. The same procedure is repeated for the elaboration of the third row.

- This procedure is repeated, taking into account that while the diamonds are decreasing, the other rows expand. Thus in the first row the beads were five, in the second row ten, in the third row fourteen, causing the triangles to end in a point. When you get to the last row you must take four beads, the last of them is insured in it, then two beads are secured in the last triangle, that way the number of beads is extended to finish the collar fabric (Jiménez, 2014).

Necklace with canutillo

Process

- To make the brooch, the needle must be passed through a large mulberry, which must be covered with small beads.
- It starts by elaborating the part of the neck, here four beads are taken, the third bead is secured in the previous flower with the needle upwards and then the same with the needle downwards to achieve closing the flower. Around seventy-four roses are formed along the collar, equivalent to 46 centimeters.
- Once the roses in the first row are finished, fold the necklace in half and count from the center eleven roses to the right or to the left to begin the weaving. To do this, ten beads are taken, which are secured in flower number eleven, then with three beads, the first six triangles of the collar are formed; this procedure is repeated six times.
- The third row starts with eighteen beads that are secured in the first triangle of the previous row. Then three beads that are secured in each triangle, we must take into account that five triangles must be formed. Then, four beads and a corm are secured in each space of the ten beads of the previous row, then a bead and a corrugation for four times and ends with four beads that are secured in the triangle of the previous row.
- In the fourth row, sixteen beads are taken, which are secured in the first triangle of the previous row, then three beads form the five triangles and the row is finished with sixteen beads.
- In the fifth row it starts with eighteen beads that are secured in the first triangle of the previous row, then three beads are secured in the anterior triangle, then four beads, one bead, one canuto per four times, which are ensured in the space that remains of each bead of the previous row. Subsequently, three beads to form the five triangles and repeats four

beads, a joint four times and ends with four beads and follows three beads to finish the row with eighteen beads.

- The sixth row starts with twenty-nine beads that are secured in the first triangle of the previous row. For this, seven beads are taken, the fourth bead secures itself, then three beads and continues the row with a bead, a coultter for fifteen times, each one of them is insured in the space of each bead of the previous row, then a bead, a joint, a bead, a joint for fifteen times more. Then with two beads and passing a triangle, again a bead and a joint for another fifteen times, these are secured in the space left by the beads of the previous row and ends the row with seven beads, the fourth bead is assured in the same. Then four beads and ends with twenty-nine beads.
- In the last row, in the center of the two shells, an arc with five beads is formed, then a bead and a joint until completing four canutos, to this four beads are added that are secured in the previous shell. Subsequently, eighteen beads are taken which are secured in the previous row. Follow again a bead, a joint for seven times. Then a bead, a joint, four beads, the last of these ensures itself; again a bead and a joint for seven times, securing the last row in the previous row to finish the necklace completely (Jiménez, 2014).

Tupos

- The tupo is one of the traditional jewels that the Saraguro women wear to hold the cloth, part of her everyday clothing, it has a sun shape, with a kind of punch and a chain that is worn around the neck.
- The elaboration of tupos is part of the goldsmith's activities. From a piece of silver, the curved shapes of the circular part of each tupo are carved by hand, paying special attention to its details, for example, one of them is that a colored stone is placed in the center. In general, artisans use two machines in their workshops, a laminator and a polisher to make each type (Castillo, 2016).

3.4.2. Designs



Figure 18: Tupo made of silver

Source: Universidad del Azuay, Facultad de Diseño, Arquitectura y Artes



Figure 19: Mat necklace (half)

Source: Author photograph



Figure 20: Mat necklace (complete)

Source: Author photograph



Figure 21: Rainbow necklace

Source: Author photograph



Figure 22: Rainbow necklace (half)

Source: Author photograph

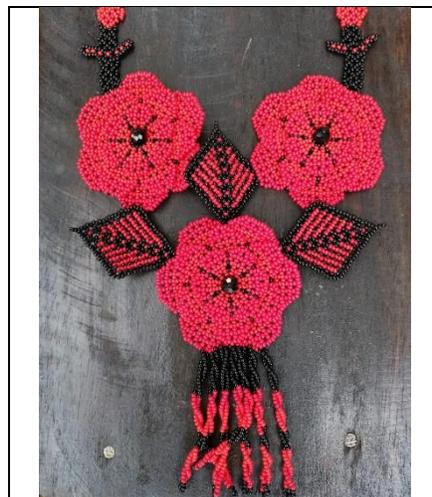


Figure 23: Flower necklace

Source: Author photograph



Figure 24: Red flower, part of the necklace

Source: Author photograph



Figure 25: Mat necklace

Source: Author photograph



Figure 26: Mat necklace (half)

Source: Author photograph



Figure 27: Mat necklace with creases (half)

Source: Author photograph



Figure 28: Mat necklace with creases

Source: Author photograph

3.5. Price

The price is one of the most important elements to establish the policies of the online store, because it depends in large part on how the brand and the product wants to be perceived in general. The prices of mat necklaces and tupos vary depending on the artisan who makes them, as well as their size, thickness and weight, characteristics that make each item unique and different from any other. It is important to emphasize that the price is set by the artisan because the artisanal merchandising project will work under the principles and criteria of fair trade. In general, the prices of mat collars can be found from \$ 25.00 dollars to collars that exceed \$ 120.00 dollars, the value of each one of them depends on their characteristics and designs, such as their processing time and materials. With respect to the tupos, since silver is the raw material of this craft, the prices range from \$ 100.00 dollars of small size to \$ 10000 dollars, the largest and most elaborated.

To obtain the international sales price, the following formula will be used (Jumpseller, 2018):

Where:

MG: profit margin to be obtained, with which advertising and maintenance costs of the online store will be covered.

Cost: price of the item to which the artisan sells it.

$$\text{International sales price} = 100 \times (\text{Cost} \div (100 - \text{MG}))$$

To this must be added the cost of international freight, which vary depending on the region where the shipment is made, whether it is America, Asia Pacific, European Union or the rest of the world.

3.6. Promotion

"Design is your brand's silent ambassador."

-Paul Brand

One of the fundamental parts for the project to be known and to be transmitted to all users of the online store are the principles such as the promotion, broadcasting and dissemination makes to the public and potential customers. The project must reveal what are its motivations, actions and values on which it is based on as well as the concept of fair trade must be clear in the mind of each person. However, not only a simple advertising campaign is enough, but also knowing how to focus it so that the principles of fair-trade are present day by day in the population and cause a positive effect on the local economy.

First, the project must be related with actors who share the ideology of fair trade in order to support their work; therefore, the project should try to reach people who do not know what the fair trade movement does, by providing information on the benefits of purchasing a fair-trade product for the country's economy, employment and development.

This will be done by using the social networks that have more reach within society, such as Facebook, Instagram and Twitter, where information will be promoted in two languages, Spanish and English, both products and culture and actions of the project, to keep people informed and attract more followers to the cause and movement of fair trade (Gadea, 2014).

3.6.1. Brand

Currently, everyone is surrounded by very tough competition all over the world. That is why it is necessary to create a brand strategy that allows to carry out a productive, efficient management of the brand from the perspective of profitability, positioning in the market, participation and

competition, which in turn allows to reach the selected market and its segment easily. The main function of the brand is to improve the relationship of the client with the company, showing through it certain values which they will differentiate themselves from the rest. Each brand can be endowed with a specific personality, whether for men, women, children, attractive, fun, successful, trustworthy, sports and others (García, 2016).

Today more than ever the customer is the one who can establish the value of a brand due to the possibility of being able to choose among others that offer the same in the market. It means that each company must be concerned about satisfying the tastes and preferences of customers, including the service areas where a link with the brand can be created. There are some factors that the brand must meet to be attractive in international markets such as being easy to pronounce in other languages, easy to remember for people, it must not have negative meaning, it must convey the competitive advantages of the product, it must be identifiable with the country of origin and applicable to all the products that are going to be offered through the brand (Sánchez, 2014).

Then, the name of the brand is announced, which will be in English for the advantages of using this language worldwide, this is the following:



Deep in the Andes

Figure 29: Commercial name of the brand

Source: Own elaboration

3.6.2. Logo

The logo is the visual component of a brand, that is, everything that differentiates or identifies the company or products from the rest, in turn plays an important role in how it is shown to potential customers and its presentation in any place to which it wants to expand. Without a doubt, it is fundamental but not only as an advertising medium, that is why this must be thought to improve the first impression of the people towards the company and its products. The importance of creating a good logo is that it should convey the positive aspects or values of the business, that is capable of creating customer loyalty, establishing an identity, as well as reflecting the professionalism of the company (INNOVADELUXE, 2018).

It must consider several factors for the creation of the logo, it must be adaptable to different colors and sizes, its appearance must be timeless, clean and memorable so that its impact is greater in the people's perception. The customer's memory must be nurtured by the experience with the brand, it is all that has to synthesize the logo or corporate identity (Antúnez, 2017).

The logo that was designed specifically for the internationalization project of mat collars and tupos is the following one, which will be subject to improvements if it is pertinent, this is accompanied by the commercial name of the brand:

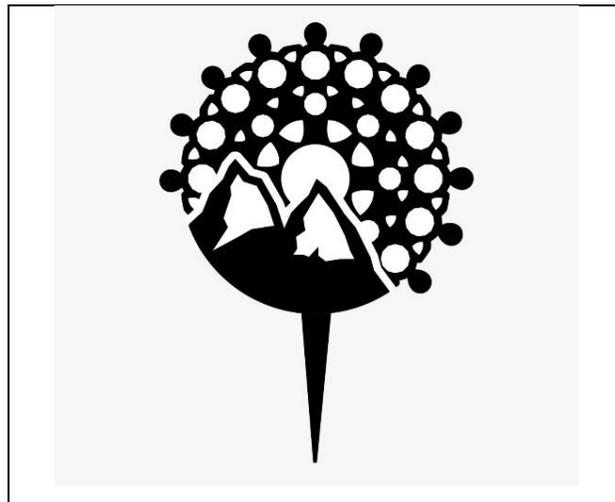


Figure 30: Tentative logo "Deep in the Andes"

Source: Author's logo

3.6.3. Corporate social responsibility in electronic commerce

The corporate social responsibility refers to the actions that a company carries out in order to contribute positively to the social environment where its operations take place, like cultural, environmental and humanitarian aid actions depending on the different situations of the society (Rocamora, 2015).

That is why, through this concept, there are many companies that every day strive more to provide an online service and quality products to their customers, however, it does not mean only meet the standards of accessibility and usability, but to create good client-company relationships, demonstrating that the business model is based on ethical principles as they go hand in hand with the law, respecting the rights of employees, people and the environment, which guarantee the sustainable development of the operations of the company. In the same way, corporate social responsibility brings with it several advantages, such as being able to retain potential customers

and attract new resources and investment (García, 2007). In recent years, the application of corporate social responsibility has gained strength, where new generations have begun to value much more the concepts of sustainability, transparency and fair trade, which in addition to improving the online reputation of websites, improves the life quality of manufacturers, employees and people linked to business and projects.

3.6.4. Development of the online store

In this chapter section, the elements of a web page, its characteristics and requirements to develop a didactic and easy-to-use online store that makes the shopping experience pleasant for those who interact with it. In addition to this, this part aims to know in depth what is offered by this internationalization tool such as e-commerce. Once the steps to create the online store are established, the content of the web page will be exposed together with the necessary investment to carry out the operation and publication of the e-commerce.

3.6.5. Parameters needed to create a web page

Creating a virtual store requires three basic criteria to develop the platform with success, for this the first one that has been fixed is the conceptualization of the idea, it has to determine with certainty the path that is believed to be most appropriate, the products or services that will be available on the website and most essential, to who will focus the effort of the project. Then there are the requirements to be met, where the business begins to take shape, analyzing the technical aspects necessary to carry out the idea, and finally, the execution is prepared, where the presentation of the products is structured, such as the design of the website, the logistics of payment and shipment of the crafts.

It is essential to expose eight aspects necessary for the creation of an online store, which will help shape the project.

1. Products to be offered: in this first step, the tastes and preferences of potential customers must be determined as accurately as possible. In addition, it is helpful to take advantage of booming trends in order to find a more specific market niche.
2. Suppliers / manufacturers: you should seek to interact in an effective way to establish close connections with the manufacturers or with those who provide the necessary materials for the products elaboration.
3. Inventory management: there are several ways to manage the inventory, such as the innovation that is taking a lot of force, drop shipping, which is a variant of e-commerce

logistics that makes the online store take care of customer service, billing, among others. In addition, you can do it on your own where there is stock of merchandise available for online sales.

4. Description of the products: emphasis should be placed on writing adequately the characteristics, benefits, history and availability of each product; to give better information to the consumer, it is essential to include everything related to the price and shipping, so transparency is transmitted through the store.
5. Photographs: undoubtedly the quality of the photograph must be high, it must also show several angles of each product and show them how they really are, so each person can appreciate its features and improve the shopping experience.
6. Packing/wrapping: for shipping either national or international you should opt for packaging that has protection against shocks or ruptures. The visibility of the brand must be included as much as possible in order for its promotion to be effective. And depending on the nature of the company add a purchase acknowledgment.
7. Payment methods: as much as possible the online store has to have the largest number of payment methods available because the website covers a large amount of market faces and number of customers with different preferences, whether they preferred electronic wallet, debit or credit card or payment against delivery.
8. Customer service / after sales: a large percentage of the success of an online store is due to the quality of the service provided to the customer either before making the purchase, as during and after it. For this purpose, the company's email address, telephone numbers, live chats and social networks must be available to users (Lane, 2016).

3.6.6. Domain

The domain is an internet address, that is to say a set of characters that make up an address, which serves to be identified in the network. Which were created to replace IP addresses (Internet Protocol) with words like ".com", ".es", ".org", which are easier to remember for users. The name of the domain must be unique, since the internet system does not allow two entities to have the same name.

There are three levels of domains, within the first level, we find two types, the generic and geographical. These can be used by companies and other users around the world, besides having no territorial connection; they are also called international or global (Anetcom, 2014).

This some of the existing and most used domains worldwide:

.com: generally used by companies and any website that has commercial activities, are the best known around the world. Now, they are used for all kinds of purposes, although in principle only for US companies and companies.

.net: this domain is intended for entities related to the internet, as providers of computer services. Although it is valid today for all kinds of purposes.

.org: is used particularly by organizations, foundations and entities that do not profit from their activities and have social welfare purposes.

.edu: the present domain is designed for institutions that carry out academic and other activities related to education.

.int: this is especially reserved for entities belonging to the International Telecommunication Union.

To carry out the activities of the online store in order to internationalize the two types of handicrafts selected, a generic first level domain has been chosen since they are those awarded internationally. This has been created and acquired through the e-commerce platform called Shopify, the domain for the online store is *www.deepintheandes.com*, this has an annual cost of 14 dollars and can be renewed at the end of its first year.

3.6.7. Creation of the online store

Today there are different ways to develop a web page, such as web page editors that develop electronic documents in html and xhtml language such as Sublime Text, Notepad ++, Dreamweaver, Brackets among many more, or online providers such as Shopify, GoDaddy, Wix, Wordpress, etc (Webtematica, 2018). Also to buy a domain is needed, which is the address where people will go online, which is unique and your property is available for one year. This makes electronic commerce grows undoubtedly, however, the business idea must be clear so it can operate through a website, avoiding that after a while these are abandoned and the investment made at the beginning become a loss.

For the creation of the website it was decided to rent an online provider, Shopify, a comprehensive, flexible, easy to manage platform that brings predesigned templates for e-commerce use, as well as providing complementary services for the website to be successful when starting to position on the internet, how to customize the design, work with several payment methods, organize the products and work the SEO of the online store, among other functions (Shopify, 2018).

3.6.8. Configuration of the online store

Once the Shopify online store is rented, the respective configuration is carried out to personalize the website, so that the design and its functions reflect the nature and level of professionalism of the project or company after it, seeking suitable ways to operate in electronic commerce.

1. When starting the use of this platform is mandatory to proceed to configure the template for the design of the online store, there are templates for free and paid, Shopify offers 100 templates within its portfolio and if having knowledge of web development, it is possible to customized to taste them. It must be taken into account that each design must state the purpose of the business or project, in the same way it must be functional and practical for the clients who are the ones who interact with the contents of the online store. To maintain a good aesthetic, it was decided to use black and white colors for the sobriety, elegance and seriousness that transmit these colors to people.
2. Within the general configuration should be placed the name of the online store, which is "*Deep in the Andes*", its logo and its slogan "*Deep in the Andes, artisan's hands work hard*", elements that act as the image official of the e-commerce in development.
3. Then it is necessary to create the different sections that the website will offer, where within a tab called "Menu" you can find all pages that provide enough information for the user to have a pleasant experience when interacting on the website. For the online store were created, Home, About us, Product Catalog, Frequently Asked Questions and Contact Information.
4. In each of the sections, there is the option of adding texts, images and videos, where valuable content is provided to the website so everyone can appreciate the work involved in the internationalization project.
5. For the catalog of products, photos of each item that will be offered must be included, these must be of good quality and expose several angles of each of them, along with their respective description, price, availability.
6. A fundamental aspect of the store are the payment methods; these should be correctly defined because each country has different tastes for using each of them. It is necessary to analyze the feasibility of use in Ecuador and its adaptability to the online store. In the country, 2checkout company is one of the entities that provides an adaptable online

transaction interface that has the necessary security features to offer a good service in the online store with the payment of commissions for each sale. (Neothek, 2018)

7. With regard to the form of international shipments, a transportation company that operates in Ecuador and the rest of the world must be selected, also it has to adapt to the needs of the online store. The information about the shipment of each product must be provided in a timely manner about the delivery and delivery deadlines, return policy and order tracking.

3.6.9. Content of the website

The successful presence of the online store lies in its good positioning, marketing through different channels, creative and quality content, and of course the design that it brings with it, which must be careful to make the client feel to taste with the experience of purchase of the crafts exhibited in the section of products, besides to raise information of suitable of the project. The structure designed for this project is the following:

- Homepage: this is the main image of the online store, where users will get the first impression of the entire project. Undoubtedly, this section should have striking images and quality informative texts that project the values of *Deep in the Andes*. In addition, it must have the menu bar where the rest of the sections are located, so that people can easily navigate through the website.

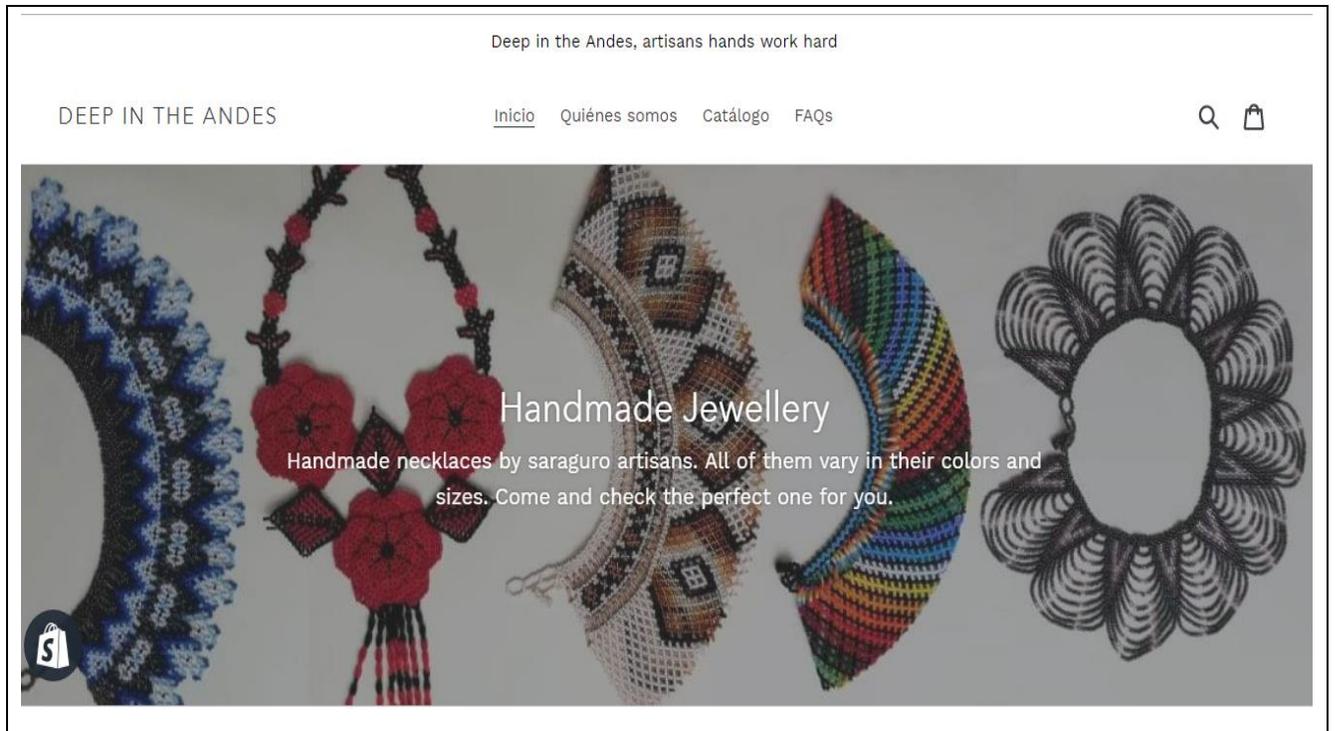


Figure 31: Home page screenshot of the online store

Source: Author creation from a predesigned template of Shopify

- About us: this section of the online store refers to the information that is given to the public about the company or project. Everything described on this page must convey the essence of the work behind it, the characteristics that differentiate *Deep in the Andes* from the rest and useful information to help provide warmth and generate good relationships between the company and customers. It tells the story of how the business idea was shaped so the client accepts the proposal.



Figure 32: Screenshot of the section About us from the online store

Source: Own elaboration from a predesigned template of Shopify

- **Product catalogue:** It is necessary to be clear what the website offers from the beginning, this space allows people to observe the catalogue of available products and make the purchase. In this section photos of each item are shown, including several angles and different versions of it. It must contain the prices and descriptions with the most relevant details of the item.

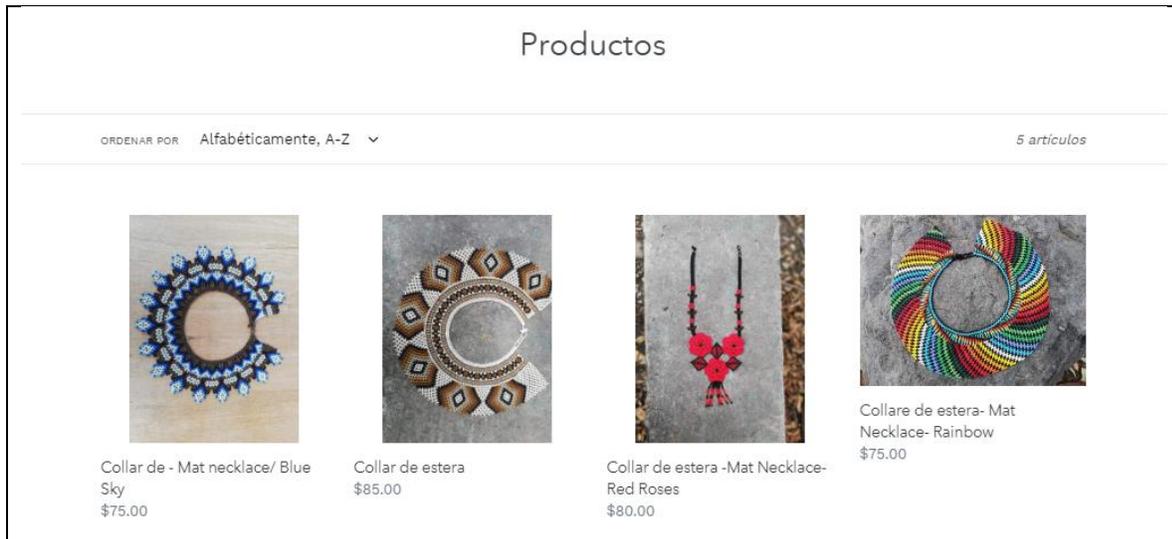


Figure 33: Product Catalog screenshot of the online store

Source: Author elaboration from a predesigned template of Shopify

In the following chart is possible to observe one of the options of mat collars available in the online store, this article has five photographs where you can see the different angles of the necklace, along with its description of the characteristics that make this craft unique.



Figure 34: Screenshot of the Product section of the online store

Source: Author elaboration from a predesigned template of Shopify

- Frequently Asked Questions: in this space it is one of the most important that must be present on the web page, it is called as FAQs (Frequently Asked Questions). Composed of a certain number of questions that people usually ask before making a purchase or about the job that the company does. This section has the purpose of resolving the doubts or concerns that people have about the project, the products, international payment methods and the time of delivery of the requested to its destination, among other possible situations that may arise.

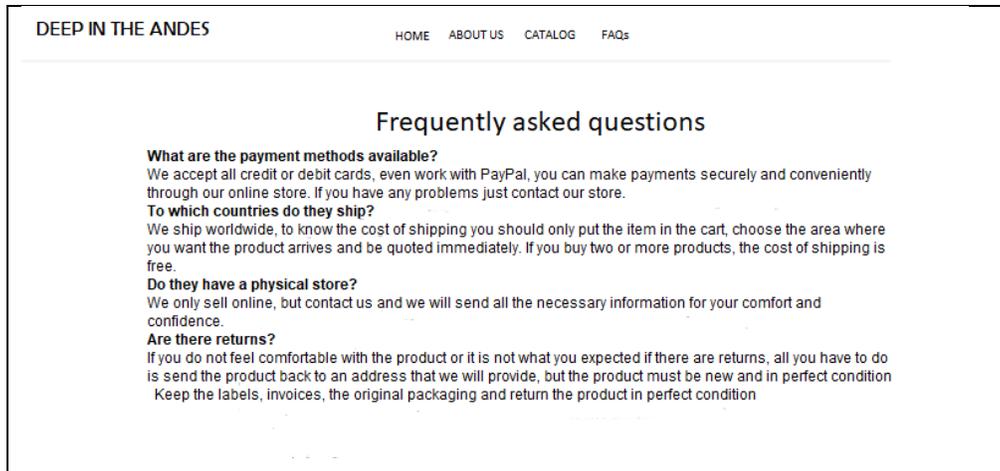


Figure 35: Frequently Asked Questions section screenshot of the online store

Source: Author supplied questions from a predesigned template of Shopify

3.6.10. Order and payment system

The virtual store requires basic supports for its correct operation, these are the product ordering system, the payment methods and the shipping logistics from the origin to the destination in a certain time limit. For online orders, the process must be explained since the client has finished all the checkout steps until completing the delivery of the products. It is necessary to make an analysis about the payment methods currently preferred by users in different countries.

Order system

Each order that is made online goes through three different stages. The first is where the order is received, the second is where the platform has received the payment of the order, otherwise an abandoned cart will be created due to the fact that the client did not complete all the steps of the checkout and the third where the order is being processed.

What happens when an online order is received, is that in the first instance a notification is sent to the administrator through the website via email, with regard to the administrators, there may be several operators depending on the configuration that is planned to be made in the Shopify platform. The order section of the online store will display the new order on the Orders page, where all the required product information and its destination are detailed. After that, the client will receive an email confirming your order, in order to process it.

At the moment of beginning with the processing of the order, the online store shows that order with a different state, that is to say paid completely or partially paid. When the order is already paid, it is archived in the system. These functions offered by the platform can be modified

according to commercial needs to improve order management and can also be fully or partially automated. (Shopify, 2018)

Payment methods

The payment methods that can be integrated into the Shopify online store are very diverse, in the same way they depend in large quantity on the needs of the website. These range from allowing to charge by debit and credit cards, use electronic wallets, as well as include in the forms of payment bank transfers, among other methods that facilitate the client to conclude with their purchase in the store.

The payment gateways work as intermediaries, where they process the information provided by each client during the payment process, so that it facilitates payment authorization to an e-commerce business. They are responsible for encrypting very sensitive information, such as credit card numbers, so it is necessary that they guarantee secure transactions for both the online store and the customer. Each one of them offers flexibility in the forms of payment that people can handle, because in many cases the carts are abandoned due to the scarce payment options available. Each payment gateway has pros and cons, however, before choosing one of them you should evaluate their individual characteristics and choose them based on the functionality of the website. The most suitable to integrate to an online store must offer five indispensable factors. (E-commerce Nation, 2018)

1. Security: payment gateway is needed that has a good reputation and provides a safe shopping experience for users. In addition, customers feel more secure when they see logos of secure electronic payment methods on the website.
2. Cost: each gateway has rates for the service it provides when making transactions on behalf of a company or business, because it is recommended to investigate what is the commission charged for the service.
3. Accepted payment methods: by choosing a payment gateway with a wide variety of electronic payment methods, the sales network is expanded. Therefore, people are much more likely to make purchases if preferred payment methods are available.
4. Compatibility: it is necessary to analyze how the gateway will be integrated into the online store, from the technical and design points of view, since they require time and investment to synchronize. These must adapt to the image of the website.

5. Location of payment: some gateways allow you to complete the purchase within the website being a direct payment provider, without having to make payments to third parties and other leads to other pages to complete the purchase, called external suppliers. You should choose the option that provides greater convenience, data protection, data authentication and good experience in the online store.

Referring to the survey carried out in the second chapter about the most widely used payment methods at the international level are debit and credit cards, electronic wallets, and bank transfers and payments against delivery. However, it must be indicated which are the best payment gateways available in Ecuador to be integrated into an e-commerce with international focus, each option available below will be analyzed:

Paypal Express Checkout

Paypal is an alternative payment method, safe and easy to use, this payment option keeps the user's financial information private, that is, it does not share it when a purchase is made, because such information remains in your Payapal account. Now it offers a new service, with Smart Payments Buttons, a tool integrated to online stores that provides payment options that allow buyers to make purchases without leaving the website, using Paypal, Paypal Credit and Venmo (Paypal, 2018).

PayPhone

This payment method is a multinational platform that allows people to charge and pay from any place where the user is through the use of a Smartphone. This allows the linking of credit, debit or electronic money cards. This replaces the use of the physical use of bank cards and the public sector is available as private. Generating comfort and confidence to all users, as the information provided by each person is encrypted (PayPhone, 2018).

2Checkout

It is a payment gateway that is easily integrated into online stores, it has become one of the world's leading payment and e-commerce services, as well as being the only online payment gateway that integrates online stores made through Shopify in Ecuador. This offers data security of bank cards, protection against fraud, solutions for electronic invoicing. This payment method can be configured to sell internationally with fifteen different languages and more than 80 currencies (2Checkout, 2018)

Bank cards

The payment through credit or debit cards are plastic tools, with numbering and magnetized by a financial entity that issues them, authorizes the bearer of it to use them as payment in places or businesses that have been integrated with such system. When paying the user can choose between the credit or debit options, for the first there is no need to provide advance funds to the entity that assumes the debt, but in the second option is automatically deducted from the bank account when making the purchase, even so, in both alternatives a verification code is required to prevent online fraud (Mora, 2016).

After analyzing the options, it was convenient to work with Paypal Ecuador and 2Checkout, which are the two payment gateways that operate with the Shopify platform, as well as having a good international reputation and making the customer shopping experience pleasant and for the seller the financial field of the online store is more manageable. To do this, it is needed a business accounts in both entities and perform the required procedures, where documentation must be sent to confirming the nature of the business, the identity of the administrators and other requirements.

Electronic billing

The electronic invoice is a method to issue sales receipts that must comply with legal requirements and mandatory regulations to be authorized by the SRI, so that it guarantees the authenticity of the origin of the content, it includes in each voucher the electronic signature of the issuer and it has the same validity as a physical document. The necessary requirements to be able to emit an electronic invoice are to have an electronic signature, a software that generates electronic vouchers, an internet connection and an online SRI access code. In order to have authorization from the SRI to remit electronic receipts, it must pass through two stages. The first is the testing or certification environment, where tests of the electronic emission scheme are reviewed and corrections can be made. Then there is the production environment, where once accepted these will have tax validity (SRI, 2018).

Shopify in its service provides the free tool "Generator of Invoices" to provide the customer at the end of his purchase, this facilitates the billing process and the collection of money. It is necessary to complete the information required in this tool and an invoice is automatically created, which can be saved, printed or sent directly to the customer of the online store. This is based on three simple steps, first you must enter the information of the online store, then enter the information of the customer and the invoice and finally enter the items that were ordered online. It should be noted that although the invoices have the necessary information for tax purposes, it is

recommended to contact the entity of the country in charge of the matter before making use of them as official documents of the company (Shopify, 2018).

3.6.11. Positioning of the online store

Within e-commerce when talking about the positioning of a web site, is to talk about the success that the online store can have and how it is able to attract attention and customers, because having an excellent product or service available is not synonymous with the fact that internet have significant numbers of purchases. Nowadays there are numerous ways and strategies available to attract traffic to the websites and to commercial profiles of social networks through digital marketing, then the main ones will be shown:

Inbound marketing

Inbound marketing or also called attraction marketing, is a strategy that covers social networks, SEO and content marketing, which aims to get the interest of users in a non-intrusive way. This concept is very extensive, but it is based on the creation and exchange of appropriate content so that the client relates in the best way with the website and who is behind it. In addition, they seek that potential clients search and find in an organic way what they have in mind.

This consists of four phases each with different ways of interacting with public, these are attractions where the company should focus on developing the brand rather than start looking for more clients, create content that can make potential customers are likely to acquire the services or articles offered through blogs, social networks, SEO and websites. Then there is the conversion, used to get information from the client giving something in return such as free books, scientific articles and other information; thirdly, there is education, where they are intended to be transformed into real customers and finally the closing, which aims to build customer loyalty after the purchase, offering quality after-sales service so that in this way they can buy a product and people can recommend their services (Pecanha, 2018).

Optimization of SEO and SEM

SEO

This term refers to the initials in English of Search Engine Optimization, known as search engine optimization or web optimization. In this way, the page appears in Google or other search engines in a natural or organic way in the first places in the long term, without having to pay for advertising. That is, a user traffic is obtained using keywords that define the business in its nature. As simple as this may seem, several features must be taken into account, such as the algorithm that manages

each search server that is constantly being updated, the keywords, content of the website, links and indexing, as main ones (Academia de Consultores, 2017).

Within the web optimization, the internal SEO on-page is mentioned, which takes into account the design, content, accessibility, internal links, SSL certificate, loading time of the page. And the external one called SEO off-page, which improves with natural links from other websites, social networks, directories, among others. There are also free tools that help you find the words that best describe the website, such as Google's KeywordPlanner, which efficiently performs a general analysis of the page and finds the best terms to optimize the positioning (Palbin, 2018).

SEM

The acronym in English SEM mean Search Engine Marketing, which is basically to perform marketing in search engines to improve the positioning of content, thus appear in the first places with a distinctive ad. However, this type of positioning is short-term, where the amounts to be invested are unlimited. One of the advantages of the SEM is that it manages to attract traffic from quality users, achieving results in a short time, but always focusing on the keywords that attract more users and giving them more strength in the advertising campaign. (Academy of Consultants, 2017)

3.6.12. Marketing through social networks

Social networks are the tools with the most potential and scope that actually exist to promote products and services and increase sales to businesses. By increasing interaction with followers in different social networks, the links become increasingly familiar when dealing with a profile or commercial page that they offer, since they provide easy-to-use tools that can have a great impact locally and international. Currently these social networks allow advertising with payment and organically, prices vary depending on the scope that the person wants to obtain as a result. You can place videos, photographs, infographics, links, etc. They can also be integrated into online stores and others, allowing work on an on-line basis, establishing coherent communication and interruptions through different channels.

Facebook

Undoubtedly this is the best known social network worldwide, one of the best tools to advertise business, products and services, etc. Every day there are more brands that use this social network to sell and advertise, however, the marketing strategy to be used must be well organized because this must be focused on capturing the attention of mobile users more than who is connected from

a computer. In addition to helping build lasting relationships with customers, Facebook owns an online store on its own platform that helps you sell. There are some essential strategies that should be applied when starting to do digital marketing in social networks, such as fun posts, attractive and with a high level of content to generate the engagement with public, the quality of photography should be excellent to appreciate the qualities of what is offered on the network, you can create short informative videos about the values of the brand, benefits of the products, you should also promote the publications that are made so that they come to have a significant scope, for this the target audience should be filtered with criteria such as location, age, interests and, most importantly, redirect the user to the website (Marketing de Contenidos , 2018).

Instagram

Some advertising campaigns were carried out through Instagram to two of the five countries established as the target market with the most suitable e-commerce market. These promotions were carried out in the United Kingdom and Australia so that the interest of women between 24 and 55 years of age could be probed by the products, analyzing the number of visits the page had, the number of accounts reached. It is important to highlight that each campaign was made with a small investment for test reason, managing the key words of the profile to be able to advertise, also had limited reach so it reached a not very large number of users. Each campaign was promoted 10 days apart to observe the traffic that had the commercial profile of *Deep in the Andes*.



Figure 36: Instagram screenshot - Australia promotion

Source: Author Instagram account, commercial account

Figure 36 that shows the promotion directed towards Australia, was the one that most welcomed the selected segment of women between 24 and 55 years old, showing in the statistics that it was the country where more people clicked on "How to arrive "and in the address of the tentative website.



Figure 37: Instagram screenshot - UK promotion

Source: Author Instagram account, commercial account

Figure 37 shows the campaign that was carried out for the United Kingdom aimed only at women, between the ages of 24 to 55 years and their response despite the budget limitation for advertising showed positive effects instead, were 178 visits to the profile and this number increased after a few days. In this way, it caught the attention of Instagram users until they desire to access into the website, but it is not yet available to the public.

3.6.13. Investment and strategies for advertising on Facebook and Instagram

Today, these social networks are the ones that have the most influence and users around the world, as well as being the ones that allow direct and adequate access through segmentation and filters to the target audience for the project. However, the fan page on Facebook means that they have less interaction and visibility compared to the large number of followers they have due to the filter algorithms used by this social network. That is why is better to opt to advertise on Facebook via Instagram because the latter offers better interaction rates with users.

For the implementation of advertising on these social networks, the project will use a monthly budget of \$ 30 dollars on Facebook and for Instagram an amount of \$ 50 dollars per month, to have the tools offered by these two applications. The first strategy that will be carried out in these

two social networks, is to publish content at night, specifically between 10 pm and 12 pm, because there are fewer profiles publishing images, videos and so on, therefore, there will be less competition and this will increase the visibility of the content that belongs to the web page.

The following strategy refers to the ability to generate content in videos, because this tool increasingly attracts more attention from users and from other different platforms. These should be short videos, with quality image and audio, and the use of simple language to transmit appropriate messages that represent the online store objectives. Another way to create good relationships with people, is to make each of them feel part of the brand *Deep in the Andes*, also they should be taken into account for making some decisions, asking for their opinion or suggestions they think convenient to contribute. This strategy is a way of demonstrating concern for what the public thinks about the project or the activities it carries out.

Finally, another way of interacting with followers is to look for areas where questions about the content can be asked to the public, products, services, promotions, discounts and contests, thus avoiding unidirectional communication, depending on which type of activities generate more traffic in the commercial profile and more number of interactions with users and followers in social networks (Merodio, 2017).

3.6.14. Google Ads

This advertising tool consists of the creation of paid ads that will appear in the most relevant Google search results pages and in the network of partner sites. In such a way that it helps attract more customers, generating traffic in the online store, there is also the possibility of increasing sales or motivating people to return to the online store. In addition to this, this mechanism allows users to reach what is being offered at a precise moment, locally or globally, depending on how the advertisement is configured and the amount of money available to use to execute the advertisement (Ads Google, 2018).

3.6.15. Google AdSense

This tool provided by Google, consist of a form of advertising in which ads are shown paid on particular websites of the Google AdSense affiliate network, it means when a person clicks on one of the advertisements on an affiliated web page, to that website Google will pay a sum proportional to the amount that the advertiser has paid for the advertising. The scope of these ads will depend only on the amount you are willing to pay (Google AdSense, 2018).

3.6.16. Advertising investment in Google

To carry out advertising in Google, an investment of \$ 60 dollars per month must be made by the online store, which will serve to make known locally and globally the project of internationalization of crafts made in Saraguro, county of the Province of Loja. The content that will be announced will be prepared previously, these must have quality content, in addition to reflecting a professional image of the online store.

It should be noted that the value of each advertisement varies in each country, so in the development of the project the territories where advertising will be made will be carefully chosen. At the beginning of the internationalization of the project, these Google tools will be concentrated in the five countries previously established, being them the United States, Canada, United Kingdom, Japan and Australia.

3.6.17. Email Marketing

Email marketing still one of the preferred tools for many companies because they provide positive results, one of the reasons is that this means allows the company to have control of the database and not depend on third parties as in marketing social networks. Undoubtedly, email marketing has gradually evolved, to the point that it will be some of the trends that will dominate in the coming years.

What happens is that, in order to be successful with this type of marketing, the characteristics have changed, the emails that are sent to the clients must be interactive, friendly and fun to read, including images, tests, among others. In the same way, market segmentation must be mandatory, this means that mails should not be sent to the whole database, because the objective is for the campaigns to work but not for a high rebound rate and rejection of part of the customers. Something that has been mentioned much in recent years is related to artificial intelligence, useful material to effectively position marketing strategies, hoping that the explanatory or informative texts are more sophisticated, such as using plain text, which turns out to be friendlier for people and is uniform everywhere, in addition to this the format must be mobile friendly, allowing to adapt to the contents in every device used by each person (Email Marketing, 2017).

3.6.18. Offline marketing

Although it is firmly believed that technology totally overshadowed traditional marketing, it must continue to integrate offline marketing for several reasons. The publicity that occurs outside the internet covers all the traditional mechanisms of becoming known as: fairs, magazines, printed

press, congresses, corporate gifts, advertising in non-digital media, physical meetings, events, among others, which being a means of masses can reach broader markets. Even to date mass media have excellent results due to the fact that there are people who are not yet fully associated with the digital era, for this reason it should not be ruled out completely offline marketing tools.

Magazines, radio and television, etc., are very useful tools if a good marketing strategy is established, but the disadvantage of them is that their cost is too expensive in many cases and their scope is limited due to their respective location or availability. Even so, it has advantages such as allowing close contact with each client, since interacting with people is still part of the techniques applied by companies and businesses to generate trust and credibility to attract customers.

Due to the pros and cons of using offline marketing or not, it is better to use it as a complementary strategy together with online advertising, seeking synergy between the digital and traditional world, thereby generating integrated and comprehensive strategies with different mechanisms that work in the same area, but with different focus (Gosende, 2018).

3.6.19. Affiliate marketing

Almost all companies and businesses work with this marketing technique to achieve more reach on internet. This advertising option charges commissions to a website that wants to be promoted, the rates depend on the amount of purchases that have been finalized or clicks made on a specific link of the website that has been advertised in other, so it lets redirect clients easily and automated. The reason that in the present many companies use this tool, is that they have an independent sales network that provides benefits and generates a large advertising campaign. This mechanism works this way, first a web portal with significant user traffic related to the nature of the website that aims to be announced is searched, then a product or service is proposed to promote and the website assigns an affiliate link, the portal will only charge only if people come to buy the product or enter the publicized link (Ibáñez, 2015).

There are several affiliate marketing advantages for an e-commerce, for example, it is possible to publicize the service or products in prestigious places that improve the image of the company, this tool is organic and not very intrusive for the user, avoiding exposing pop-ups or annoying animations that generate rejection since the natural links are better for this work, in addition email marketing can be include within to optimize the traffic of users on the website (Nuñez, 2016).

3.6.20. International fairs

According to how the marketing project of handicrafts through an online service is developed, the possibility of venturing into different international fairs will be looked for, where *Deep in the Andes* products can be shown to the foreign public in a physical way, besides looking some expansion alternatives to increase sales of mat collars and tupos. Some of the international fairs where handicrafts of different origins participate that are in the spotlight after a while in operation are the "International Handicrafts Fair" in the city of Córdoba, Argentina; "The hands of the world" in Mexico, both chosen for their proximity to the country (Portal Ferias, 2018). In addition, the project will seek to interact with Pro Ecuador to determine the best options for international fairs in which the country participates.

3.7. Place

As it had already been proposed, the project is about an online store, so the point of sale will be made through the website, where people interested in the selected crafts will be able to purchase the product. The online store will have a catalog of products where the customer can access the information of each craft exposed on the page, adding them to the cart and finally proceeding to check out the purchase. Each product will be prepared for shipment and taken to the international transport company, who will be responsible for carrying the desired product for each person to their destination.

In order to convey the essence of the internationalization project, the website should be dynamic, attractive and inspire confidence to the client, as well as being easy to use for anyone, making the shopping experience enjoyable to achieve consumer loyalty, this aspect will be the fundamental reason for offering an excellent customer service

The after-sales service is also important, contact information will be provided so that the customer can verify if there is any irregularity with the product acquired, which should be solved as soon as possible in the next 24 hours of having occurred, to deal with the change of product, to determine inconveniences with the international transport company or the return of the money, if it is required. These mechanisms will allow the company to form a closer link with the client, adding a suggestion box in the website, which must be consulted regularly to achieve improvements in every possible aspect and provide a good service. Regarding shipments outside the country, select a transport company that best meets the needs of the project in addition to offering an excellent service internationally.

3.7.1. Shipping logistics

The orders and the delivery of the desired products by the customers that are generated through the web platform, must reach their destination in the shortest possible time, guaranteeing their good condition, to make the customer's shopping experience pleasant. In addition, the international logistics system used must adapt to the situation of electronic commerce in Ecuador, since this is where all the operations of the online store will be carried out. A survey was made of the transport companies present in the country and it was decided to choose DHL Express, because the e-commerce rates have more advantages than the rest of the available services.

This logistics company is present in 220 countries and territories around the world, which seeks to participate in the largest number of new markets, in addition to contributing to the growth of e-commerce businesses where retailers and manufacturers have the opportunity to internationalize their business in a reliable and sustainable way, thanks to its transportation networks, technological standards, corporate responsibility and the trust it gives its users (DHL Express, 2017).

Table 30 shows the e-commerce rates towards different destinations worldwide, where these vary according to weight and size. Taking into account the characteristics of mat collars and tupos, the former can be folded without the need to have a large wrap, in turn these do not exceed 1 kilo, as the size is small and its weight they do not exceed 1.5 kilograms. That way they would keep the values specified in the first three rows. That is, the price for zone 1 America is 24 dollars, for zone 2 European Union is 28 dollars, as for zone 3 Asia Pacific is 30 dollars and for the rest of the world the rate is 33 dollars, all these values are subject to additional or optional surcharges such as merchandise insurance, in addition that these can be modified by DHL (DHL Express, 2017)

Table 30: DHL Express e-commerce rates

KG	Zona 1 AM	Zona 2 EU	Zona 3 AP	Zona 4 ROW
0.5	24	28	30	33
1	24	28	30	33
1.5	24	28	30	33
2	26	30	33	35

Source: DHL Express Worldwide – e-commerce rates

3.8. Action plan: budget

Actually, to launch an e-commerce business is not only to create an online store where the offered things are sold luckily, this goes far beyond what can be seen on a daily basis. In order to achieve

an online marketing model that is successful in the long term, it takes a deep study, planning and vision to know how to direct and take appropriate decisions that make the model of e-commerce implemented work and grow gradually. Its purpose is to transfer all the points previously developed in economic terms, this economic plan will have a period between 1 and 3 years, to analyze its initiation, development until its execution of commercial activities.

In this section, the elements that make up the strategic planning of the project will be determined in order to assess the viability of the e-commerce business. This way the feasibility of the project before investing real resources and time can be analyzed. In addition, with this section you can find the possible obstacles and risks that this may have in its development, making it possible to evaluate whether everything previously proposed can work and improve over time. First, the project's sales goals over the next three years after its opening to the online market can be found, which focuses on five selected countries after having made a filter taking into account the main online markets around the world.

Then the international exploitation account that involves the implementation of the online store in its first year of operation, taking into account international sales, gross margin, structure and sales expends will be shown. The international exploitation account is then prepared for the first year of the project, where baseline values of the expenses that may be incurred at the time of implementing the project and its short-term development are established. Therefore, these values are projected to the following two years where it is intended to double sales at the end of each year, those values must cover the feasibility of operations of the online store.

3.8.1. Sale objectives

This section will determine the sales targets for the online store in the next three years, focusing mainly on the five selected online markets, United States, Canada, United Kingdom, Japan and Australia, to start the internationalization project. The project has as its goal in its first year of sales to the international community the value of \$ 20,000.00 US dollars and in subsequent years double the amount invoiced from the previous year, which means an inter annual percentage of 100% for each year of the three proposed.

Table 31: Sales goal

Market	Year 1	%	Year 2	%	Year 3	%
United States	\$ 5,000.00	25%	\$10, 000. 00	25%	\$20, 000. 00	25%
Canada	\$ 3,500.00	17.5 %	\$7,000.00	17.5 %	\$14, 000. 00	17.5 %

United Kingdom	\$4,500.00	22.5%	\$9,000.00	22.5%	\$18, 000. 00	22.5%
Japan	\$2,500.00	12.5%	\$5,000.00	12.5%	\$10, 000. 00	12.5%
Australia	\$4,500.00	22.5%	\$9,000.00	22.5%	\$18, 000.00	22.5%
Total external sales	\$20, 000.00	100%	\$40,000.00	100%	\$60, 000.00	100%

Source: Author data based on the methodology proposed by Sánchez (2014)

3.8.2. International operating account

The provisional exploitation account of the online store in the international market will be prepared for the first year of its execution.

Table 32:International operating account

	Year 1
Online sales	\$ 20, 000. 00
Gross margin	\$8,000. 00
Structure expenses	\$1,700.00
Commission fees: payment methods, international logistics	\$ 750.00
Cost of implementation of the online store	\$250.00
Website maintenance expenses	\$500.00
Expenses of materials and supplies	\$150.00
Selling expenses	\$1,350.00
Costs of online marketing	\$ 600. 00
Commercial trips	\$ 450.00
Other sales expenses	\$300.00
International operating balance	- \$6,300. 00

Source: Author data based on the methodology proposed by Sánchez (2014)

3.8.3. Economic plan

Next, a forecast of sales, expenses and margins will be prepared in the first three years of development of the internationalization project of the two selected crafts.

Table 33: Economic plan

	Year 1	Year 2	Year 3
External sales	\$ 20, 000. 00	\$ 40, 000. 00	\$ 60, 000. 00
Gross margin	\$8,000. 00	\$ 16, 000. 00	\$ 32, 000. 00
Estructure expend	\$1,700.00	\$ 3,400. 00	\$ 6,800. 00
Selling expenses	\$1,350.00	\$ 2,700. 00	\$ 5,400. 00
Operating balance	\$6,300	\$12, 600. 00	\$ 25,200. 00

Source: Author’s data based on the methodology proposed by Sánchez (2014)

3.9. Conclusions

At the end of the third chapter, it was possible to create the image of the online store that will be named *Deep in the Andes*, whose logo and slogan will be an international representation of this project that aims to advertise the work of Saraguro artisans through electronic commerce.

1. At the same time, the needed parameters for the proper functioning of a website were known in depth and the theoretical aspects of how an online store should be integrated with the rest of the services that make a digital platform the ideal way to make purchases at an international level in a safe, fast and reliable way.
2. The creation of the online store was carried out by renting an e-commerce space on the Shopify platform, this is easy and safe to use, as well as being one of the best options to start in the field of electronic commerce and sell internationally. One of the advantages it presents is its wide number of functions that help to direct the platform and positioning on the internet, in the same way it was possible to create the tentative model of the website, where the design of the project was configured according to the needs of the project, the website design, the descriptions of the products and the purpose of this plan, the different sections of content and contact information necessary to form reliable links with potential clients and transmit the values of the project.
3. The possible payment methods to be used in the online store were analyzed, based on the feasibility of their use in the country, as well as their coverage, reputation and collection fees for the transactions of an e-commerce that seeks to internationalize two crafts, resolving that using the payment gateways of PayPal Express and 2Checkout are the indicated ones to integrate them into the Shopify platform.

4. A survey of transport companies with the best international service was conducted, where it was considered that DHL Express is the best service to send to other countries from Ecuador, because of its coverage in the country and the rest of the world, in addition to its e-commerce rates are convenient for the start of this project.
5. Once examined the most influential forms of advertising today, it was decided to apply for the online store, the optimization of SEO and SEM, marketing through social networks, email marketing and affiliate marketing to start with internationalization of mat collars and tupos, making the website, the products and especially the project values known.
6. The economic feasibility of the handicraft internationalization project was evaluated, proposing the amount of investment in strategic areas such as web development, advertising. In addition, the sales objectives for the first three years of operation of the online store in the five countries determined by the market study were elaborated.

Final conclusions

At the end of the development of this project, which seeks to find the ideal means to internationalize two handicrafts made by Saraguro artisans, from the Province of Loja, it can be concluded that the development of electronic commerce at the international level is growing and each year. The growth rates are positive compared to previous years, and progress is increasing every time to optimize the implementation and use of electronic commerce anywhere in the world. Factors such as the speed of its logistics, automation of order processes, payment and shipments, better designs of digital platforms are pleasant for the user to navigate and interact, among other aspects. However, in the country the reality is not the same as the development of this field is still incipient, despite this little by little the e-commerce has been opening space in the companies of all categories in Ecuador, leaving behind traditional commerce and the ways of doing mass marketing.

As well as, the promotion of the creative economy in Latin America and the Caribbean has an impressive capacity for development, with a lot potential to make the cultural sector one of the fields that contribute positively to the GDP of the economies of the region. Although this concept despite having been conceived in the seventies, it has not been until 2018 that the Inter-American Development Bank makes known to the public the advantages and possible ways to exploit this field correctly. In addition, the movement of fair trade around the world has encouraged fair payment to small producers and provides easier connection to the national and international market to publicize their products and services.

For these reasons, an analysis of the current situation of Saraguro was made focusing on socio-economic, political-legal, cultural and environmental factors. In addition, the implementation of the SWOT tool aimed especially at artisans to determine the aspects where the e-commerce and digital marketing would be more useful to make the handicraft market more profitable for mat collars and tupos was carried out; it resulted in the development of a marketing plan, which includes the creation of an online store to internationalize the project.

It is necessary to emphasize that the four main pillars of the Marketing Mix were deepened, known as the 4 p's: product, price, promotion and place, in order to establish the adequate strategies to be used in different areas of the project, which can be adapted to the needs of the project. Obviously it is one of the best tools to determine the way forward for the proper functioning of the e-

commerce business developed. Undoubtedly the creation of an online store to market mat collars and tupos, is one of the most appropriate ways to enter the international market, because the *Deep in the Andes* project does not need to make a massive products exportation, nor a large trajectory which supports the objectives of the project and sales operations outside the country. It is necessary to mention that the fundamental thing is to have a well-crafted plan to achieve positive results, which in turn will develop new strategies and favor the expansion of the online store and its future purposes.

It is possible to achieve internationalization of these products faster and more accessibly, because it is not substantial to invest a large amount of money to develop an online store that meets the basic needs of the project. But even so, during its development the opportunity to improve each aspect to offer a better service during and after sales will be made. It is important to highlight that before it is release to the public, this website must have a professional design, be responsive and smartphone friendly, those characteristics will allow the online store adapt to new online trends of sale and purchase, also technological advances.

Finally, this project has proposed the fundamental guidelines to carry out the internationalization of a project that seeks to position Ecuadorian crafts to the international market in an innovative and fast way to its destination. All these tools provided by the internet and electronic commerce which should be used to the maximum extent, in addition to digital marketing, in order to make the world aware about quality products and services, which often lack of experience, knowledge and capital, remain anonymous and without being able to develop in international markets, including the factor that they become less and less profitable by failing to correctly broadcast these items of great historical value, creativity and skills of artisans whose traditions have survived for many decades.

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