

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Management



Bachelor Thesis

**The role of the digital media for the commercialization of products and services in
Venezuela**

Sarkis Agobian Melkonian

© 2020 CULS Prague

CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

BACHELOR THESIS ASSIGNMENT

Sarkis Agobian Melkonian

Economics and Management

Economics and Management

Thesis title

The role of the digital media for the commercialization of products and services in Venezuela

Objectives of thesis

Evaluate the participation of users-consumers and business-suppliers in electronic commerce, in addition to determining the channels through which services and products are offered and obtained.

Methodology

This thesis will be composed in two parts

The first part focused on the literature review, will contain the definitions that are based around digital media, commerce, and market analysis, using books, articles, posts, and interviews to extract all relevant information.

The second part (practical part) will contain the result and analysis obtained by the implementation of two types of questionnaires, one of them to the user-consumers and the second one to the business-providers.

Based on the result and information obtained is offered the recommendation and conclusion.

The proposed extent of the thesis

Approx 40-50 pages

Keywords

marketing plan, social media, business plan, promotion

Recommended information sources

Feldman, T. (1996), An Introduction to Digital Media, Abingdon UK, Routledge Ltd, 192p, ISBN-13: 978-0415151085

Goldstein, N., Martin, S., Cialdini, R. (2007), Yes! 60 Secrets from the Science of Persuasion, London, UK. Profile Books Ltd., 304p, ISBN-13: 978-1781257425

Kotler, P., Kartajaya H., Setiawan I. (2016); Marketing 4.0 – Moving from Traditional to Digital; Hoboken, NJ, USA., John Wiley & Sons, 208pp, ISBN-13: 978-1119341208

Osterwalder, A., Pigneur, Y. (2010), Business model generation, New Jersey, United States., John Wiley & Sons, Inc., 288p, ISBN-13: 978-0470876411

Schneider, G., (2011), E-business, 9th edition, Boston, USA.: Cengage Learning, ISBN 978-0-538-46925-8.

Expected date of thesis defence

2019/20 SS – FEM

The Bachelor Thesis Supervisor

Ing. Richard Selby, Ph.D.

Supervising department

Department of Management

Electronic approval: 10. 3. 2020

prof. Ing. Ivana Tichá, Ph.D.

Head of department

Electronic approval: 10. 3. 2020

Ing. Martin Pelikán, Ph.D.

Dean

Prague on 12. 03. 2020

Declaration

I declare that I have worked on my bachelor thesis titled "The role of digital media for the commercialization of products and services in Venezuela" by myself and I have used only the sources mentioned at the end of the thesis. I declare that the thesis does not break copyrights of any their person.

In Prague on 20/03/2020

Acknowledgement

I would like to thank Ing. Richard Selby, Ph.D, Ellen Shedden and my parents for their advice and support during my work on this thesis.

The role of the digital media for the commercialization of products and services in Venezuela

Abstract

This thesis evaluates electronic commerce in Venezuela from the point of view of users as well as businesses. There is an increasing number of users participating in this market due to both economic difficulties across the country and increasing access to modern technology. The results of the practical section of this thesis give an understanding of the current situation, as well as evaluate the behaviors and preference of the consumers and companies. A set of recommendations has been offered to for the consideration of companies, including: a focus on generations "Z", "Y" and "X" for the offer of products and services; a focus on the link between price and quality with the product/service on offer in order to attract the largest number of consumers; the proper use of digital media based on the type of product or service and the target market; and attention to the cost of shipping to avoid losing potential customers.

Keywords: marketing, social media, business plan, promotion.

Role digitálních médií pro komercializaci produktů a služeb ve Venezuele

Abstrakt

Tato práce hodnotí elektronický obchod ve Venezuele z pohledu uživatelů i podniků. Na tomto trhu se zvyšuje počet uživatelů v důsledku ekonomických obtíží v celé zemi a také díky zvýšenému přístupu k moderním technologiím. Výsledky praktické části této bakalářské práce objasňují současnou situaci, dále hodnotí chování a preference spotřebitelů či společnosti. Tato práce nabízí doporučení pro společnosti, zaměřující se i na generace „Z“, „Y“ a „X“. Tato doporučení se skládají z nabídky produktů a služeb, zabývající se spojitostí mezi cenou a kvalitou, službou s cílem přilákat nejvyšší možný počet spotřebitelů, řádné používání digitálních médií (pode typu produktu nebo služby a cílového trhu). V neposlední řadě je také kladen důraz na náklady na dopravu, aby nedošlo ke ztrátě potenciálních zákazníků.

Klíčová slova: marketing, sociální média, podnikatelský plán, propagace.

Table of content

1. Introduction	13
2. Objectives and methodology	15
2.1 Objectives.....	15
2.2 Methodology.....	15
3. Literature review.....	16
3.1 Business.....	16
3.1.1 Business analyst.....	16
3.1.2 Business model.....	17
3.1.2.1 Business model canvas.....	18
3.2 E-Commerce.....	21
3.2.1 Categories of E-commerce.....	21
3.2.1.1 B2B (Business to Business).....	22
3.2.1.2 B2C (Business to Consumers).....	22
3.2.1.3 C2C (Consumers to Consumer).....	22
3.2.1.4 B2A (Business to Administration).....	23
3.2.1.5 C2A (Consumer to Administration).....	23
3.2.2 Presence of E-commerce in Business.....	23
3.2.3 E-Commerce in the Venezuelan market	24
3.3 Digital media.....	25
3.3.1 Mercado libre.....	26
3.3.2 Instagram.....	27
3.3.3 WhatsApp.....	28
3.3.4 Facebook.....	29
4. Practical part.....	31
4.1 Quantitative research.....	31
4.1.1 Results of quantitative research.....	32
4.1.1.1 Results of quantitative research from users- consumers.....	32
4.1.1.1.1 Result of question no.1.....	32
4.1.1.1.2 Result of question no.2.....	32
4.1.1.1.3 Result of question no.3.....	33
4.1.1.1.4 Result of question no.4.....	34

4.1.1.1.5	Result of question no.5.....	34
4.1.1.1.6	Result of question no.6.....	35
4.1.1.1.7	Result of question no.7.....	35
4.1.1.1.8	Result of question no.8.....	36
4.1.1.1.9	Result of question no.9.....	36
4.1.1.1.10	Result of question no.10.....	37
4.1.1.2	Results of quantitative research from companies-providers.....	38
4.1.1.2.1	Result of question no.1.....	38
4.1.1.2.2	Result of question no.2.....	38
4.1.1.2.3	Result of question no.3.....	39
4.1.1.2.4	Result of question no.4.....	39
4.1.1.2.5	Result of question no.5.....	40
4.1.1.2.6	Result of question no.6.....	40
4.1.1.2.7	Result of question no.7.....	41
4.1.1.2.8	Result of question no.8.....	41
4.1.1.2.9	Result of question no.9.....	42
4.1.1.2.10	Result of question no.10.....	43
5.	Results and discussion.....	44
5.1	Result of quantitative research for users-consumers.....	44
5.1.1	Knowledge of e-commerce in relation to gender and generation.....	44
5.1.2	Reason to use internet to acquire products/services in relation to gender and generation.....	44
5.1.3	Channels used to acquire products/services in relation to gender and generation.....	45
5.1.4	What is commonly purchased using e-commerce in relation to gender and generation.....	46
5.1.5	Payments methods used in relation to gender and generation.....	46
5.1.6	Barriers present in the e-commerce in relation to gender and generation.....	47
5.2	Result of quantitative research for companies-providers.....	47

5.2.1	Participation of companies-providers in relation to their category	47
5.2.2	Presence of electronic suppliers in relation to their category.....	48
5.2.3	Channels used to offer product/services in relation to their category.....	48
5.2.4	Percentage of sales and payment methods accepted in e-commerce in relation to their category.....	49
5.3	Recommendation.....	49
6.	Conclusions.....	52
7.	Bibliography.....	53
8.	Appendix.....	55

List of graphs

Graph 1: Gender.....	32
Graph 2: To which generation do you belong?.....	33
Graph 3: Do you have knowledge about e-commerce?.....	33
Graph 4: Have you ever offered products/services by digital media channels?.....	34
Graph 5: Why do you buy on internet? (select one or more).....	34
Graph 6: Which platforms do you frequent to buy your products/services? (Select one or more).....	35
Graph 7: What are you used to get by digital media? (select one or more).....	35
Graph 8: Which payment methods do you use for transactions in e-commerce? (select one or more).....	36
Graph 9: What do you prefer?.....	37
Graph 10: What barriers do you consider is present in the E-commerce in Venezuela (select one or more).....	37
Graph 11: What does your business offer? (select one or more).....	38
Graph 12: Do you offer your products/services electronically?.....	38
Graph 13: Since what year your business has a presence in E-commerce?.....	39
Graph 14: Do you have suppliers electronically?.....	39
Graph 15: Which channels do you use to offer your products/services? (select one or more).....	40
Graph 16: Which percentage represents the operations by E-commerce from the total of the operations?.....	40
Graph 17: Payment methods mostly received by electronic transactions? (select one or more).....	41
Graph 18: Why did you decide to offer your products/services electronically? (select one or more).....	42
Graph 19: Where do you prefer to offer your products/services?.....	42
Graph 20: Would you like to receive help to improve your activity and image in e-commerce?.....	43
Graph 21: Knowledge of e-commerce in relation to gender and generation.....	44

Graph 22: Reason to use internet to acquire products/services in relation to gender and generation.....	45
Graph 23: Channels used to acquire products/services in relation to gender and generation.....	45
Graph 24: What is commonly purchased using e-commerce in relation to gender and generation.....	46
Graph 25: Payments methods used in relation to gender and generation.....	47
Graph 26: Barriers present in the e-commerce in relation to gender and generation	47
Graph 27: Participation of companies-providers in relation to their category.....	48
Graph 28: Presence of electronic suppliers in relation to their category.....	48
Graph 29: Channels used to offer products/services in relation to their category.....	49
Graph 30: Percentage of sales and payments methods accepted in e-commerce in relation to their category.....	49

1. Introduction

Humans are unique amongst all the species in that they strive for continuous improvement of their lifestyle. In commerce, this translates to perfecting the tools and systems to achieve a higher production quantity and/or income whilst reducing the effort required as much as possible. For example, this can be seen in developments around food, transportation, housing and commerce in general.

Commerce is one activity that humans have participated in since long ago; that is because even early humans understood that people have different needs, and plenty of these needs cannot be satisfied by oneself. Furthermore, with the passage of time the needs grow more each day.

In this way, humans developed an understanding of the need to specialize their activity in a single, specific area, allowing them to produce goods and/or services that could be required for oneself, but also to trade with others who may have the same needs. The best way that humans found to trade their products and services was through currency, because it is a stable good that allows one to give and receive at a fixed value.

But as we said in the beginning, the human is always in constant change and looking to improve processes and systems. One of area that is in constant change is commerce; it is not enough to just trade, the market is constantly developing to satisfy new and changing consumer needs.

Competition in the commercial market changes and increases day by day. With hundreds of vendors competing for the same customers, businesses need specialized tools to reach out to their audience and remain relevant in the market.

Any company offering products or services must constantly consider any developments in society and address changes as they arise in order to maintain relevance in a crowded market.

Currently, digital media is one the most relevant elements that should be considered when offering a product or service in the market. Market participation has grown exponentially in this area over recent years, with users demonstrating a level of pleasure and comfort in the digital domain, managing to find, connect, obtain and satisfy several of their needs.

In the following pages we will explore the different elements that are present and should be considered in the new age of commerce, using the most important tools offered by digital media to improve our commerce and offer the best marketing possible with the goal of obtaining the best results for our trade process in a competitive market. It's important to highlight that this investigation is based on the environment and commerce in Venezuela, but nevertheless the same could be applied to different commerce environments around the world.

2. Objectives and methodology

2.1 Objectives

The purpose of this thesis is to evaluate the e-commerce activity in the Venezuelan market, looking at the participation of both consumers and businesses from the point of view of each. In this way, we can identify how their behavior and preferences impact the e-commerce market and strategize on how this information can be used to increase revenue.

2.2 Methodology

The thesis is divided into two parts. The first section includes a literature review of relevant case studies and opinion pieces. The second section is a practical study, with two different questionnaires (one for users-consumers and one for business-providers) to evaluate the behavior and preferences present in the Venezuelan community. A series of charts are used to present the results and offer data-driven recommendations and conclusions.

3 Literature review

3.1 Business

According to some authors, business is defined in the following way:

- A corporation associated with the production and distribution of goods for sale to the market or the price on each service. (Owen, 2015)
- All companies that make, distribute, or provide any goods or services required by other community members who are willing and able to purchase or pay for it. (Urwick, Hunt, 2015)
- A set of activities undertaken to create a way to develop and transform various power cracked into goods or services that customers want. (Glos, Steade, Lowry, 1996)

In this way, when people are talking about a business they are making reference to any elaboration, work or occupation that is made with the intention to obtain a benefit from the activity of production, commercialization or provision of services in the market.

3.1.1 Business analysis

It is evident that the highest percentage of failed businesses occur in the early stages, but what happened? Their idea was good, why didn't work? Why were other companies successful with the same products and services? Is because they are lucky? Why are some businesses successful, but the majority don't last over the time?

It's important to mention that maybe some businesses received external help, and in that way progressed their performance in the market, but the reality is that more than one simple factor is at play. Compared to 10 or even 5 years ago, there are a large number of new elements in the market that need to be considered. For example, the behavior of consumers is not the same, the markets have expanded drastically, and information is no longer kept secret. All is public for anyone who should wish to know.

For this reason, it's important to implement a business analysis study, which seeks to "help guide businesses in improving processes, products, services and software through data analysis. These agile workers straddle the line between IT and the business to help bridge the gap and improve efficiency" (Pratt, White, 2019).

The business analysis is used to evaluate organizational structures, practices and objectives to identify performance gaps and determine solutions as per the information. A business analysis provides direction to understand the business' changing needs, and also provides technological ideas to develop its practices and structures. In other words, a business analysis connects a company's business goals and IT solutions. Business Analysts are responsible for smooth communication among project teams, developers, and stakeholders to accomplish projects, reduce costs, and improve quality and worth (Frometa, R).

Employing a Business Analyst is not, of course, a guarantee of success. There are constant external factors that can affect the business or the market environment (for example, political decisions, natural disasters etc.), but a good Business Analyst can work to reduce the level of risk by identifying which elements are available in the market, what potential tools are relevant to the business and local market, where are the potential clients, with which customers we are working or with which business we are competing.

In the past, this deep level of information was not possible to access. However, nowadays it is important to gather data and information from various sources in order to understand the minute details of the market and allow businesses to make educated decisions with the aim of growing their companies.

3.1.2 Business model

Before starting a business in any market, it is necessary to create a business plan that will clearly define your role and presence. Questions that are necessary to define include:

- What are you going to offer?
- How you are going to do it?
- Who you are going to sell it to?
- How you are going to sell it?

Once these questions are answered, will allow to any business find out of their identity in the market (who you are, how you do it, at what cost, with what means and what sources of income you will have), essential tool that can be used to have a constant follow of the business process and make changes in specific areas to improve the results.

Megías (2013) explains that the business model is usually relativized with revenue streams, and not only describes how to earn money, but also who your customers are, how and where you are going to find them, the tasks that need to be completed to deliver your value proposition, what makes you unique, your cost structure etc., an overall systemic view of your business.

To identify if one business has a satisfactory model in the market you can simply look at its clients. When the clients are paying for products and services, we can assume that the business created the enough value for the client that they become interested. To progress to a sale, the business must get closer to the clients and really understand how they are acting, what they want and how they want to do it. Basically, they should create deep relationship from the beginning of the purchasing process in order to gain information about the needs and problems that are present in your market.

But one also must remember that once we are in the market we must be open to rapid and constant changed. The market and consumer needs will present future changes and we must be prepared for that in order to keep satisfying the needs in the market. “The business model may vary constantly. In fact, not changing business models or making important variations is scary” (Kawasaki, 2015).

3.1.2.1 Business model canvas

“Roughly translated, the technical term "business model canvas" means that you can clearly present your business idea on a piece of paper. This allows you to visualize your business model, detect weaknesses and test whether it can work” (Emprechtinger, 2018).

One of the most well-known business models used today to answer to the most important questions in our business is the “business model canvas”. In encourages the business owner to describe, discuss, design, challenge, improve and innovate the business idea that they are planning to start. The business model canvas uses 9 basic building boxes to allow the production of a quick business model, these being:

- **Customer segments**

The clients of any business will not exist if you don't know who they are, with detail such as geographical, demographic and social information. This helps to define the target market for a product or services (including age, sex, country, province etc.).

- **Value propositions**

This section is to explain what kind of value your product or service is offering to your clients and looking to add value to the existing products or services to stand out in the market.

“The value proposition is the reason why customers turn to one company over another. It solves a customer problem or satisfies a customer need. Each value proposition consists of a selected bundle of products and/or services that caters to the requirements of a specific customer segment. In this sense, the value proposition is an aggregation, or bundle, of benefits that a company offers customers.” (Osterwalder, Pigneur, 2010, p. 22).

- **Channels**

The channel defines how the product or services will get to our customers, for example how they are able to find a store or sign up for an offer. This is possible through physical establishment or a website, which must also provide ways to keep in contact with our clients or for them to contact us.

- **Customer Relationship**

It is necessary to be clear as to how the business will attract new clients, but also how to maintain them and make them a valued client of the business.

- **Revenue streams**

This section covers an explanation of how to receive income from our products or services, defining what kind of value the company offers to entice their clients to pay for it. It also explains what methods can be accepted as payment (cash, card, cryptocurrencies etc.).

“If customers comprise the heart of a business model, revenue streams are the arteries. A company must ask itself, for what value is each customer segment truly willing to pay? Successfully answering that question allows the firm to generate one or more revenue streams from each customer segment. Each revenue stream may have different pricing mechanisms, such as fixed list prices, bargaining, auctioning, market dependent, volume dependent, or yield management” (Osterwalder, Pigneur, 2010, p. 30).

- **Key resources**

This section explains the most important elements that are necessary to make our business model work, including financial elements, physical elements, intellectual elements and human resources.

“Every business model requires Key Resources. These resources allow an enterprise to create and offer a Value Proposition, reach markets, maintain relationships with Customer Segments, and earn revenues. Different Key Resources are needed depending on the type of business model. A microchip manufacturer requires capital-intensive production facilities, whereas a microchip designer focuses more on human resources” (Osterwalder, Pigneur, 2010, p. 34).

- **Key activities**

It’s necessary to identify all the important products and services that the company offers to ensure our business model works efficiently (production, consultancy, engineering) and to generate income for the company.

- **Key partnerships**

Explain who are the principal key partners in the business to make the model work, detailing what product or service we need from them to start.

“Companies forge partnerships for many reasons, and partnerships are becoming a cornerstone of many business models. Companies create alliances to optimize their business models, reduce risk, or acquire resources.” (Osterwalder, Pigneur, 2010, p. 38).

- **Cost structure**

Finally, its necessary to explain what are the principal costs to start the business, mainly identifying resources with the highest costs, the main activities that involve higher cost, fixed costs, variable costs and taxes.

“This building block describes the most important costs incurred while operating under a particular business model. Creating and delivering value, maintaining Customer Relationships, and generating revenue all incur costs. Such costs can be calculated relatively easily after defining Key Resources, Key Activities, and Key Partnerships” (Osterwalder, Pigneur, 2010, p. 41).

3.2 E - Commerce

Public internet was initially used as a tool to get information in an easy way, but this utility and scope has been growing over time, with commerce being one of the major functions these days. E-commerce is defined as a process whereby the internet or computer networks are used like a bridge to connect buyers and sellers with interest in products and/or services. In this way, commerce activities are performed without the need to be present in a specific place or store.

“To many people, the term “electronic commerce” means shopping on the part of the Internet called the World Wide Web (the Web). However, electronic commerce (or e-commerce) also includes many other activities, such as businesses trading with other businesses and internal processes that companies use to support their buying, selling, hiring, planning, and other activities” (Schneider, 2011, p. 5).

It does not matter if one business is starting and using the internet for commerce or if it is already a physical store expanding to e-commerce; it is necessary in both cases to evaluate the market where they are planning to play, taking into consideration the structure, process, resources, customer profile, human resources and technology.

There are elements in regular offline business that do not always need to be considered in e-commerce, however the benefit of access to extra information for e-commerce businesses can be used to gain a market advantage. For example, a business is more likely to experience success if they prepare to record and analyze incoming data such as from where the audience is acquired (eg. searches in the browser, from advertising, emails that have been sent, advertising of our customers etc.) and how this information can be used to define useful strategies that can help the business reach their goals.

Is important to remember that the customers are still the most important part of the business, and they need to have access to communication channels that allow them to interact with the business in an appropriate way. For example, contact phones, scheduled assistance, online chat and emails.

3.2.1 Categories of e- commerce

Whilst electronic commerce encompasses all purchase and sale of products and services on the internet, it can be further broken down into more specific categories. These include:

3.2.1.1 B2B (Business to business)

This refers to any type of business where the final customer is not involved in the process of commerce. The most typical case would be the relation between the manufacturer and wholesaler, or a wholesaler and a retailer; in other words, this business to business model is conducted by organizations rather than individual consumers.

“B2B e-commerce refers to all electronic transactions of goods and sales that are conducted between two companies. This type of e-commerce typically explains the relationship between the producers of a product and the wholesalers who advertise the product for purchase to consumers. Sometimes this allows wholesalers to stay ahead of their competition” (Wilks, 2018).

3.2.1.2 B2C (Business to consumer)

This is the most common type of commerce found online, and occurs when a business sells a product or service to the client that is the final consumer. The difference between B2B and B2C is therefore that B2C has no intermediary, the process is directly with the customer.

“B2C e-commerce deals with electronic business relationships between businesses and consumers. Many people enjoy this avenue of e-commerce because it allows them to shop around for the best prices, read customer reviews and often find different products that they wouldn't otherwise be exposed to in the retail world. This e-commerce category also enables businesses to develop a more personalized relationship with their customers” (Wilks, 2018).

3.2.1.3 C2C (Consumer to consumer)

Consumer to consumer is the business model where there is no business present in the process. Instead, the deal is negotiated between individual consumers offering the product or service to others. In this model, it is common to see the presence of a third-party site offering facilities to manage the details of the transaction (eg. eBay).

This level of e-commerce encompasses all electronic transactions that take place between consumers. Generally, these transactions are provided by online platforms (such as PayPal),

but often are conducted through the use of social media networks (Facebook marketplace) and websites (Craigslist) (Wilks, 2018).

3.2.1.4 B2A (Business to administration)

A third figure that is present in e-commerce is administration (sometimes called government). The model of business to administration refers to the relation that cooperatives (companies) have with public administration sector, where they present an exchange of information by the internet. This often involves a large amount and variety of services focusing on legal documents, employment and financial area.

This e-commerce category refers to all transactions between companies and public administration. This is an area that involves many services, particularly in areas such as social security, employment and legal documents (Wilks, 2018).

3.2.1.5 C2A (Consumer to administration)

The Consumer-to-Administration model encompasses all electronic transactions conducted between individuals and public administration.

Examples of applications include:

- Education: disseminating information, distance learning, etc.
- Social Security – through the distribution of information, making payments, etc.
- Taxes – filing tax returns, payments, etc.
- Health – appointments, information about illnesses, payment of health services, etc.

According to Fernandes (2014), both models involving Public Administration (B2A and C2A) are strongly associated with the idea of efficiency and ease of usability of the services provided to citizens by the government, with the support of information and communication technologies.

3.2.2 Presence of e-commerce in business

The inclusion of the internet in society has caused significant changes in human activities. Some people consider it as a development of society, and the integration of the internet into our daily lives has led to unexpected changes. For example, online activities take up much of people's free time, as well as their time during the workday. However, certain e-commerce

providers have used these changes as a commercial opportunity to introduce solutions to these new problems in the market.

With such huge changes resulting from the popularity of e-commerce, as well as the financial benefits for business, it has become a mainstream method to do business and to purchase products and services. In fact, the expansion of the e-commerce has been so influential that it is possible to conduct most services online, including any educational, financial, political, legal and more services. Some specific elements that have been improved by e-commerce and give it an edge over physical commerce are:

- **Business open 24/7:** The difference between conventional stores that are open from 9.00 to 21.00 and e-commerce is that potential customers can access the online store or service 24/7. This allows the inclusion of all the people that may be interested in our services but cannot access a physical store during typical opening hours.
- **Reduction of financial cost:** E-commerce eliminates the need to have a physical store and all the expenses related to the place (eg. rent, on-site employees, services etc.), as an aspect that was previously often the highest expense to start a business.
- **Territorial scope:** Being online, there is more possibility to catch a new audience outside of the local territory, and even internationally. The increased territory and presence have the potential to lead to higher sales for a business.
- **Data collection:** Once a business has an online presence, it is easier to collect data from your audience (eg. location, gender, interests etc.) and use it to your benefit. This data can then be used to evaluate the most effective strategies that may help to grow the business, and to discard those that don't. Also, it is easier to study and measure the competition to evaluate our position in the market.

Once a business is established in the online market and gathering traffic and sales activity, there is sometimes no longer need for a physical store. Some online businesses receive much higher results than their physical counterparts, and in such cases it makes sense to operate online only, without a physical location.

3.2.3 E-Commerce in the Venezuelan market

From a long time ago, e-commerce has been one of the principal channels to sell and buy products and services around the world, but the behavior is not equal across all countries. Compared to North American or European markets, Latin America has a unique level of

participation. In this continent, e-commerce is not so popular in the market and falls far behind Europe and North America. However, it is a growing market and Latin American companies are starting to take more notice, with the scope growing considerably over the last year.

Talking specially about Venezuela, a country that has, in recent years, experienced the worst economic situation that they ever had. They have seen positive behavior in the e-commerce market with increasing transactions and participation from the population, each day adding more people and businesses to this method of commerce. In 2017 one study of e-commerce market developed by the company Tendencias Digitales, there were 374.9 million consumers registered online in Latin America, however Venezuela had a participation rate of 5% of the total, representing around 17 million users (53% of the population in Venezuela in 2017) who made online transactions in the country.

One of the reasons that e-commerce in Venezuela has risen in popularity is the political crisis situation. The population has been negatively affected continuously with their salary and what they can buy with it, the prices of the products have been increasing much more than the proportion of the salary, forcing consumers to restrict their consumption. But e-commerce channels have helped during this moment of crisis, enabling consumers to find a bigger range of the same product in comparison to the traditional market. It also led to better price competition, with consumers able to choose between retailers, thereby pushing prices for goods and services to a more sustainable level.

Also, the Venezuelan business sector found a space in the e-commerce market, enabling them to offer their products and services and receive more clients that can improve their income and in consequence their profit.

It is important to clarify that the Venezuelans saw an opportunity in existing e-commerce platforms such as Facebook or Mercado Libre (similar to Ebay), and used these to offer their products and receive some extra income that can be used to cover other needs.

3.3 Digital media

The impact that the technology has had in modern society is evident in how we live today. Humans are used to getting comfortable with new technologies and can rapidly make part of their lifestyle, integrating it into their activities and routines. One of the best examples is the phone. This development is now ubiquitous in our lives, and we use it as a tool to

develop and undertake activities couldn't have been imagined at its invention, such as exercise, work, study, travel, and even commerce.

But all these activities are not structured to be managed just by phones. In this age of technology, it is necessary to include all devices available offer the most comfortable customer experience. From there, the business can implement digital media strategies to develop, create, view, modify and allow digital electronic devices to be part of this experience.

Is in this way, digital media can be defined as the integration of text, pictures, graphics, videos, sounds and other elements that are managed digitally; all of them using informatic and electronic systems to be changed and developed. Some of the products that rely on digital media are games, e-commerce (Amazon, eBay), applications (Facebook, Instagram, WhatsApp), and websites.

One of the most important section of digital media is social media. It is a unique part of digital media due to the interaction that it enables within society. It is possible to see someone's entire life, with people connected continuously through comments, posts, photos, events and more. It is this characteristic that business saw as an opportunity to promote their products and services and become integrated in people's lives.

Stelzner (2014) considers the social media as an important part of on-line marketing. 92% of marketers indicate, that social media is important for their business and 80% say that social media has increased website traffic for their business.

3.3.1 Mercado libre

With a presence in 19 countries in Latin America, Mercado Libre is a technology company focused on the e-commerce of the region. It was founded by Marcos Galperin in 1999 in Argentina, where a team were looking to innovate and develop the e-commerce in the region.

The continuous growth of the company was evidenced by the acceptance and fast uptake of the technology by the public, showing their interest and trust in the system.

Mercado Libre is a platform that serves as a channel to connect people, particularly sellers and buyers. Both have profiles that show their distinction in the market. On the website you will find a series of articles which are divided into their respective categories,

where each product has a title that describes it along with a series of photos of the product. There is also a section where previous buyers review the product, thus leaving their comments and opinions for future buyers. Finally, it has a question section where potential customers can clarify their doubts regarding the product.

Buyers and sellers have very similar profiles, where one of the most important elements to consider is the number of transactions that the user has made on the platform, as well as their reputation on each of them from bad to platinum.

Mercado Libre has been growing over time and expanding the services it offers. Initially it was only designed to connect buyers and sellers, but its evolution has given rise to different aspects including elements that stand out in the market. Among these is the Mercado Pago payment system (a method in which the buyer and the seller have their money protected in escrow, and it is released when the transaction is finalized), Mercado Libre advertising (offering the possibility of advertising products on the platform and thus standing out among the others), Mercado Envíos (serving as a means of transport for product delivery to buyers), and finally Mercado Crédito (a possibility offered by the platform to perform purchases acquiring a credit that is interest free for up to 12 months).

The key to its growth was in 2001, when a special agreement was signed with Ebay, being the main shareholder of the company. Today, its popularity has reached new heights with 211.9 million registered users, with 10 million vendors and 33.7 million users who register a continuous activity.

3.3.2 Instagram

The social network Instagram was created in 2010 by Kevin Systrom and Mike Krieger, inspired by Polaroid's instant cameras. Its objective in the market was to enable the publication of photos and videos by users, with the ability to retouch the captures by means of filters.

Their popularity in the market was amazing, managing to capture celebrities and artists where they dedicated themselves to sharing moments of their lives. In 2012, Facebook offered a sum of 1 billion dollars to buy Instagram's rights, taking over the most famous social network of the moment. Since then, the changes and improvements in the social network have not stopped, including more and more features that have highlighted it as unique in the market.

Its innovation and improvement have also been focused on the commerce sector, and in 2016 Instagram introduced the option to create company profiles. Its objective was to offer a similar experience to what customers already knew, but also provide a series of features that allow companies to measure their performance and presence, as well as helping to promote them in the market.

Some of the features it offers include the possibility to get insights about a company's own followers and to see how your post is performing with the public; the option to create promotions on Instagram to reach more customers and build your business; the integration of new contact options in the business profile making it easier for people to get in touch with the company; and the interaction of the company with their followers through Instagram stories to offer their products and services.

Its growth in the market has been so significant that it currently has an activity of more than one billion people per month. 80 percent of user accounts on the platform follow company accounts, and more than 500 million people use Instagram stories daily, making it a fundamental tool for the development and growth of current and new companies in the market.

3.3.3 WhatsApp

WhatsApp has become one of the most popular messenger apps around the world, its popularity evidenced by the ever-increasing number of users and app downloads. This has been due to globalization and the way in which people develop and build their experiences based on the Internet, in addition to seeking to replace traditional SMS, which implies constant costs to users.

The WhatsApp application was developed in 2009 by Jan Koum and later sold to Facebook in 2014. The application is still under constant development with new features implemented regularly in order to improve user experience

From originally being a daily messenger, today WhatsApp now allows the sending and receiving of multimedia files (photos, documents, videos, voice recordings etc.) as well as making calls and video calls on the same platform.

In more recent developments, in 2018 a specific messenger aimed at business customers (WhatsApp business) was launched. This contains the same features of WhatsApp

messaging plus a series of additional features and options to promote and boost business communications with customers.

Some of the characteristics that help WhatsApp Business stand out in the market include that the business can create a business profile with helpful information for the customers with company details like the website, address, business description and contact information. Also, the app is designed to offer fast attention to the clients of a business with quick replies, saving and reusing messages that are frequently sent as answers to common questions. Furthermore, it is possible to access statistical information, like the number of messages that was sent, delivered and read. There are more than 100 million businesses using the app for business purposes, with some even using the app as the principal channel of communication with their customers, whilst others use it just to have a presence in the platform.

This is how WhatsApp has become one of the most used messaging applications worldwide, especially in Latin America, where by 2017 it had 93% usage in the region. WhatsApp has incorporated the user in its latest updates, customizing the app to the needs of its consumers and the market and thus achieving adaptation to different generations. This success is the result of constant assessments of current needs.

3.3.4 Facebook

Facebook had its beginnings while Mark Zuckerberg was studying at Harvard University, when he created the platform as a site where students could share information relevant to their studies; but its model in the market began to virilize with greater force. Now, it is seen as the most popular and successful social network in the world.

Today, Facebook is focused on connecting people on the same platform in order to share information, news, images or videos with people who are related, be it friends, family or work colleagues. In addition to being one of the largest and most popular social networks in the market, its approach and features are diverse, which has made it more popular and appealing to many different age ranges.

At present, Facebook has 2.45 billion users, and its global growth has extended to create a space for business. Given the large number of users, it is highly attractive for companies to create a public profile in this medium as it is possible to gain and analyze massive amounts of traffic from all over the globe.

With a business profile on the Facebook platform, a company can create a profile that shares general information such as contact information and details of products and services with potential customers, as well as share news and promotions in real time.

In addition, the platform offers the possibility to create advertising campaigns, publish products for sale, and use analysis tools (Facebook Insights) to help develop strategies and campaigns based on real data. It is also possible to evaluate the performance of your competition through the feature called Social ScoreBoard.

4 Practical part

4.1. Quantitative research

To implement the practical part, it was undertaken quantitative research via a questionnaire. The questionnaire is a method that is used to collect information from a specific group of people in a period of time, using different kinds of questions to achieve different results. For example, structure semi-closed questions to give the opportunity to the people to add an option in case they consider it necessary, and in that way catch a feedback from our audience, and closed-ended questions with specific and clear options that had pre-populated answers.

The study was focused on two sectors: the users-consumers and the companies-providers of products and services. The intention was to evaluate the behavior and tools that are used from both sides and evaluate their presence in e-commerce, as well as getting two different views to offer the most accurate information about the reality of the market of Venezuela.

For each questionnaire, it was selected 10 random users to answer the pilot questionnaire and used that information to evaluate any necessary corrections. After the pilot test was passed, the questionnaire was published for the users-consumers from 1st December 2019 until 30th January 2020 and for the companies and providers from 15th January 2020 until 28th February 2020.

The questionnaire that was focused on the users-consumers was answered by a total of 132 random people, while the questionnaire that was focused on the companies-providers was answered by 81 random companies. Both questionnaires were implemented in Spanish language to the Venezuelan territory and translated after completion.

For the questionnaire focused on the user-consumers, the 2 first questions were designed to determine to which demographic group of people did the interviewees belong (gender and age), then the following 7 questions were related to their knowledge and preferences for participation in the e-commerce market in Venezuela. The last question is about the elements that they consider may affect or restrict participation in e-commerce in Venezuela.

For the questionnaire to the companies-providers, the first question was designed to find out information about the company and what they offer in the market, whether they have an electronic presence, from when they started in the market and if they have online suppliers.

The formulation of all the questions was designed to offer the interviewees a fast and easy way to answer the questions, with some of the questions left open (with the option “other” in case the interviewees consider necessary to add an option). The questionnaires were distributed by social media (Facebook and WhatsApp) and by direct interview with the people; and Google Forms was used to design and collect all the information.

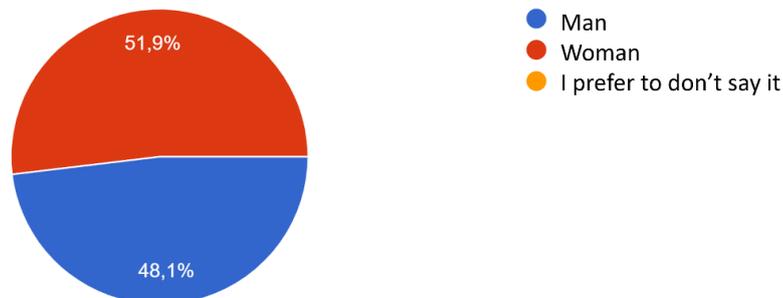
4.1.1 Results of the quantitative research

4.1.1.1 Results of the quantitative research from users-consumers

This section includes the description of the results that were obtained from the user-consumers from the questionnaire that was implemented, and their respective graphics shown with the result.

4.1.1.1.1 Result of question no.1

Gender
131 answers



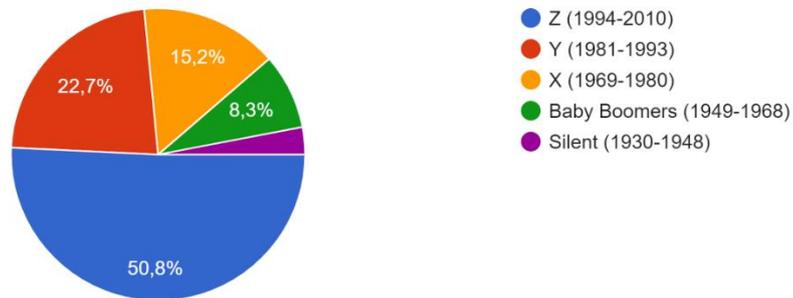
Source: self-made according to obtained data

The first question of the questionnaire was a close-ended question, with 2 options related to the gender on the interviewees and having the last one as a preference for them in case they don't want to give the information about their gender. Of a total of 131 people, 51,9% of the interviewees were women (68 people) and 48,1% of the interviewees were men (63 people). All the interviewees did not select their gender.

4.1.1.1.2 Result of question no.2

To which generation do you belong?

132 answers



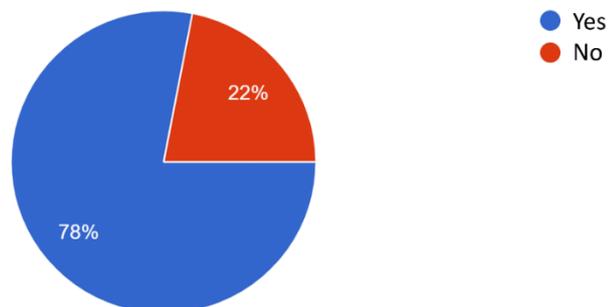
Source: self-made according to obtained data

The second question was also a close-ended question to determine to the generation of people to which the interviewees belong, with the option from generation silent until generation Z. As it is possible to see in the chart, most of the interviewees belong to the generation Z with a participation of 50,8% (67 people). The second largest portion is generation Y, with a participation of 22,7% (30 people), then generation X with 15,2% participation (20 people). Baby boomers accounted for only 8,3% participation (11 people) and there were 4 responses from generation silent, with a participation of 3%.

4.1.1.1.3 Result of question no.3

Do you have knowledge about E-commerce?

132 answers



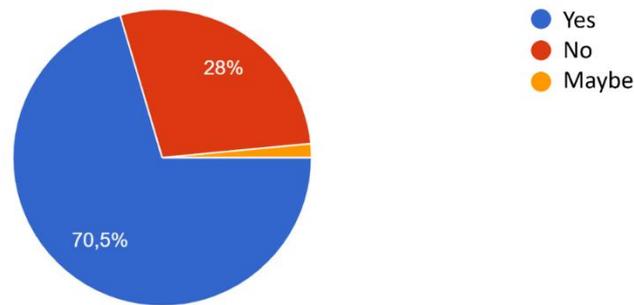
Source: self-made according to obtained data

The third question was designed to determine if the interviewees had knowledge about e-commerce. The results showed that 78% of them (103 people) had knowledge or at least

they say that they have knowledge about e-commerce, and 22% of the interviewees declared that they don't have knowledge of what e-commerce is. This question was close-ended type.

4.1.1.1.4 Result of question no.4

Have you ever offered products/services by digital media channels?
132 answers

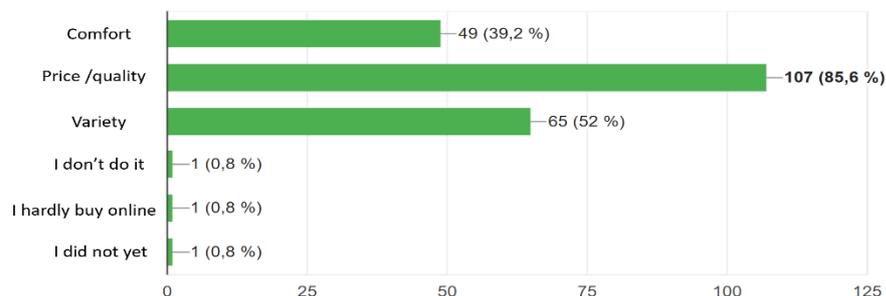


Source: self-made according to obtained data

The fourth question was to find out if in any moment the users-consumers had participated in e-commerce as a provider of any product or service. In the chart we can see that 70,5% (93 people) said yes, while 28% (37 people) said no, and just 1,5% (2 people) said maybe, not being sure about their participation. This question was formulated as a close-ended type.

4.1.1.1.5 Result of question no.5

Why do you buy on internet? (select one or more)
125 answers



Source: self-made according to obtained data

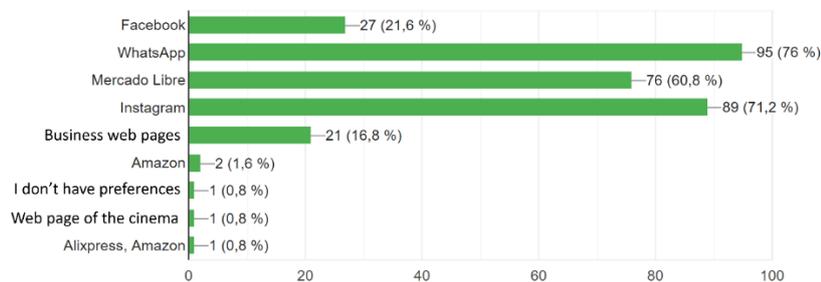
The fifth question was a semi-closed question, where it was possible to add in "others" an option if the interviewees considered necessary. The reason for this question was to try to figure out what is the main reason that people use the internet to acquire products and

services. The result show that the main reason 85,6% (107 people) of respondents use the internet because it is possible to find a more attractive price or quality of goods and services, 39,2% (49 people) consider that the internet is a good option to provide comfort whilst purchasing, 52% (65 people) consider that the internet is a good option to find variety on the products and services; and 2,4% (3 people) declared that they don't or almost never have participation in operations on the internet.

4.1.1.1.6 Result of question no.6

Which platforms do you frequent to buy your products/services? (Select one or more)

125 answers



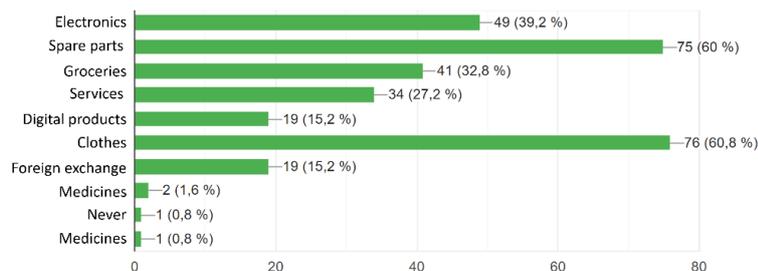
Source: self-made according to obtained data

Question 6 was created to determine which platforms are most frequently used by the user-consumers in Venezuela to acquire their products and services. With a semi-closed question it was possible to see that the most frequently used platforms are WhatsApp (76%, 95 people) and Instagram (71,2%, 89 people), followed by Mercado Libre with 60,8% (76 people) of preference, then Facebook with a we see that 21,6% (27 people) gave other options like Amazon, the cinema website and Aliexpress.

4.1.1.1.7 Result of question no.7

What are you used to get by digital media? (select one or more)

125 answers

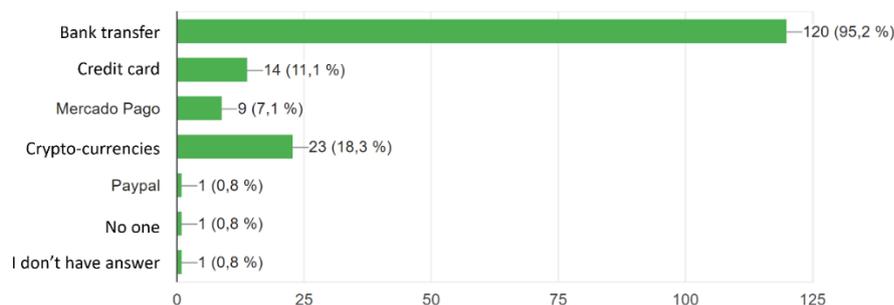


Source: self-made according to obtained data

The seventh question it was a semi-closed question looking at the products and services that are consumed the most by Venezuelans using e-commerce. On the chart it is possible to see that clothes and spare parts are positioned on the first position with a preference of 60,8% (76 people), and the second with a preference of 60% (75 people). In the third position is electronics products with a preference of 39,2% (49 people), groceries is in fourth position with 32,8% of preference (41 people), followed by services and foreign exchange with 42,4% (53 people). Note that this is separated from the services category because it is not possible to find foreign currency in regular banks or exchange markets, it is instead sold and bought like a product. Digital products have a preference of 15,2% (19 people). The option of “others” includes, medicines with a preference of 2,4% (3 people), which was suggested by the interviewees themselves.

4.1.1.1.8 Result of question no.8

Which payment methods do you use for transactions in e-commerce? (select one or more)
126 answers

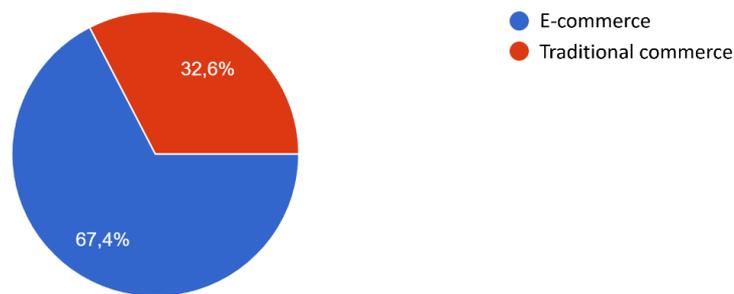


Source: self-made according to obtained data

The eighth question was asking about the payment methods most frequently used by the user-consumers to order their product and services through e-commerce. It was a semi-closed question, with the option of “others” in case the interviewees would like to add an option. A large majority, 95,2% (120 people), declared that the bank transfers are their preference to process payments, whilst crypto currencies showed 18,3% (23 people), while credit cards showed 11,1 (14 people). Mercado Pago, the secure system payment implemented by Mercado Libre, has a preference of 7,1% (9 people), and Paypal showed a low preference with only 0,8% (1 people). 1,6% (2 people) of respondents preferred to use none of the methods listed.

4.1.1.1.9 Result of question no.9

What do you prefer?
132 answers

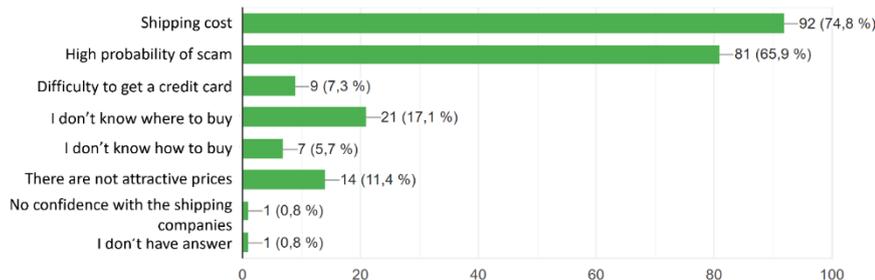


Source: self-made according to obtained data

The ninth question was a close-ended question asking the interviewees their preferences around the traditional commerce and the e-commerce. On the chart we can see that 67,4% (89 people) of the interviewees declared that they prefer e-commerce, while 32,6% (43 people) said that their preference to acquire products and services is through traditional commerce.

4.1.1.1.10 Result of question no.10

What barriers do you consider is present in the E-commerce in Venezuela (select one or more)
132 answers



Source: self-made according to obtained data

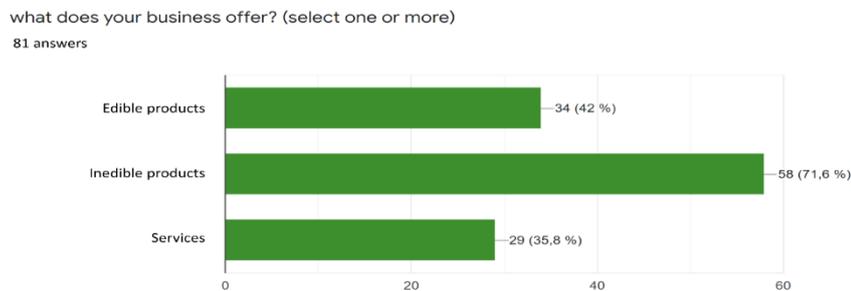
The last question of the users-consumers questionnaire was a semi-closed question, designed to identify the major obstacles present in the Venezuelan e-commerce market. The two most selected options by the interviewees were the cost of the shipping and the high probability of being scammed, the former with a selection of 74,8% (92 people) and the latter with 65,9% (81 people). 17,1% (21 people) said that they don't know where to obtain their products and services using e-commerce, 11,4% (14 people) said that the prices are not

attractive with e-commerce, 7,3% (9 people) said that the difficulty to obtain an credit card made it difficult to use e-commerce, and 5,7% (7 people) said that they do not know how to use e-commerce facilities. In the option of “others”, the interviewees added the option lack of confidence in shipping companies with 0,8% (1 people), and the final 0,8% (1 person) did not have answer.

4.1.1.2 Results of the quantitative research from companies-providers

This section includes the description of the results that were obtained from the companies-providers from the questionnaire that was implemented, and their respective graphics shown with the result.

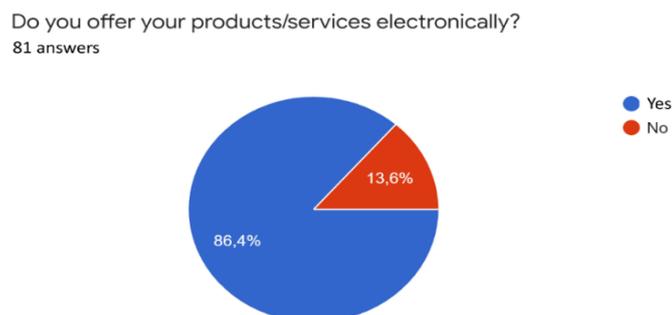
4.1.1.2.1 Result of question no.1



Source: self-made according to obtained data

The first question of the questionnaire focused on companies-providers is a close-ended question, looking to determine in which category the main products and services belong within the Venezuelan territory. From 81 businesses that completed the questionnaire, the majority (58 business, 71,6%) offer inedible products, 34 business (42%) offer edible products and 29 business (35,8%) offer services.

4.1.1.2.2 Result of question no.2

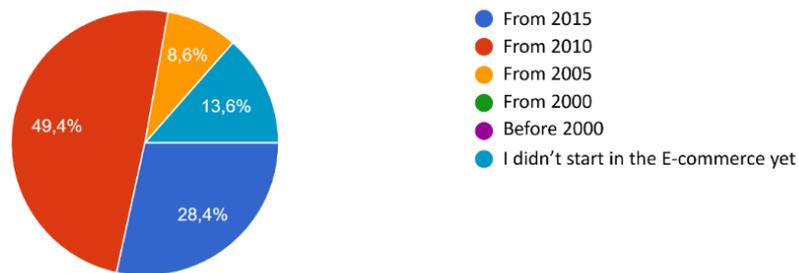


Source: self-made according to obtained data

With the second question it was possible to know that out of 81 business that completed the questionnaire, 70 of them (86,4%) had an e-commerce presence, while 11 (13,6%) businesses only offer their products in traditional stores and marketplaces and do not use e-commerce. This question was a close-ended question.

4.1.1.2.3 Result of question no.3

Since what year your business has a presence in E-commerce?
81 answers

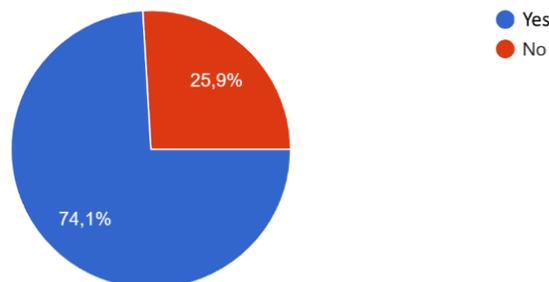


Source: self-made according to obtained data

With question 3, we can see from when the business has had an e-commerce presence. This close-ended questions showed that since 2015, 23 businesses (28,4%) got started in e-commerce, from 2010 most of the businesses had an online presence with a result of 40 business (49,4%), from 2005 7 businesses (8,6%) introduced themselves to e-commerce, and before to 2005 no businesses had started in the e-commerce market. Also, 13,6% (11 businesses) do not yet have an e-commerce presence.

4.1.1.2.4 Result of question no.4

Do you have suppliers electronically?
81 answers



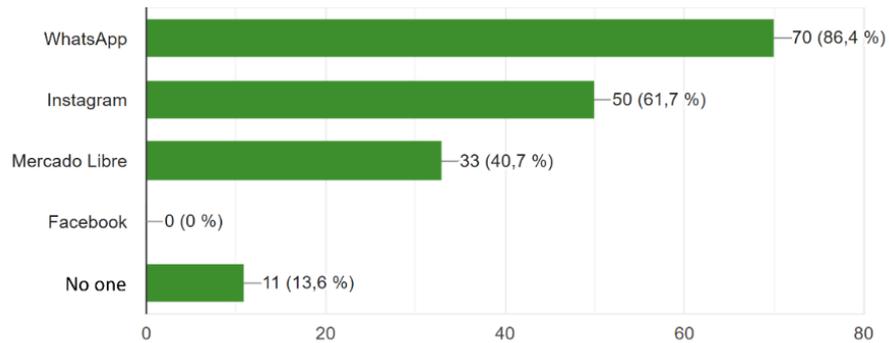
Source: self-made according to obtained data

Question 4 is a close-ended question, showing that 74,1% (60 businesses) had suppliers electronically and just the 25,9% (21 business) do not have suppliers electronically.

4.1.1.2.5 Result of question no.5

Which channels do you use to offer your products/services? (select one or more)

81 answers



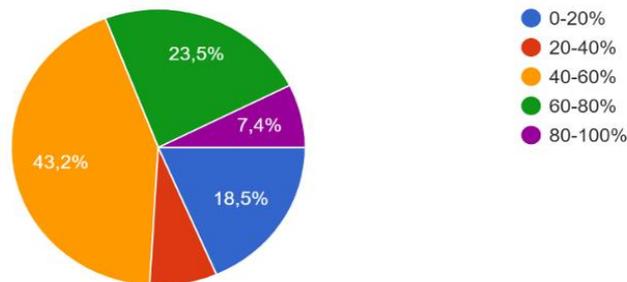
Source: self-made according to obtained data

With a semi-closed question style, question five was designed to determine which e-commerce channels the companies use to offer their products and services. The results showed that most of them (70) use WhatsApp, followed by Instagram, where 50 out of 81 companies declared that they use this platform to advertise their products and services. 33 companies use Mercado Libre, and 11 companies don't use any of the above-mentioned platform. It is also possible to see that none of the 81 businesses offer their product and services on Facebook.

4.1.1.2.6 Result of question no.6

Which percentage represents the operations by E-commerce from the total of the operations?

81 answers



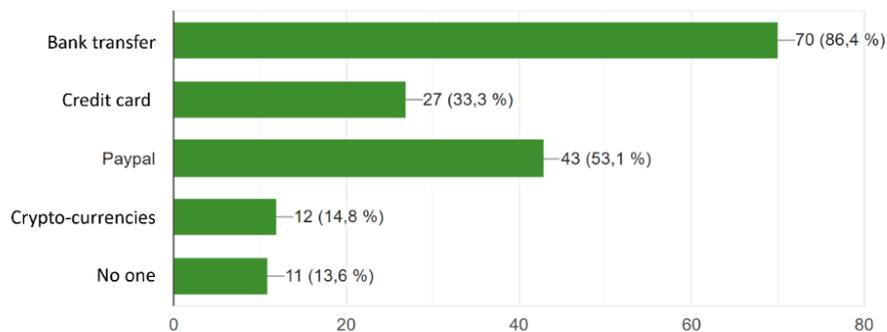
Source: self-made according to obtained data

The sixth question is a close-ended question, looking into how e-commerce has impacted the sales of the companies. For 35 companies (43,2%) e-commerce represents between 40-60% of total sales. For 19 companies (23,5%) e-commerce contributes between 60-80% of their sales. 15 companies declare that their sales are influenced by e-commerce between 0-20%, and 6 companies says that 80-100% of their sales are made through e-commerce. Just 6 companies say that e-commerce contributes to between 20-40% of sales.

4.1.1.2.7 Result of question no.7

Payment methods mostly received by electronic transactions? (select one or more)

81 answers



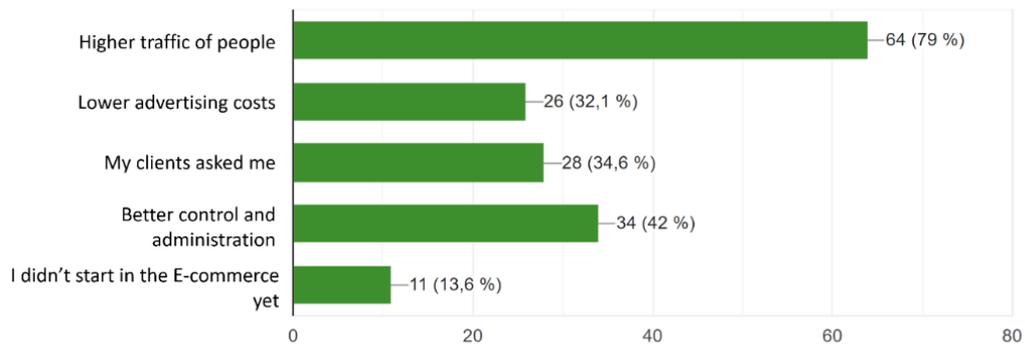
Source: self-made according to obtained data

The seventh question is a semi-closed question, where the interviewees were able to add in the option “other” if they consider it necessary. This question showed that most of the businesses manage their transactions and receive e-commerce payments by bank transfer, with 70 business selecting this option. 43 business receive payments by Paypal, 37 businesses receive payments with credit card, and 11 businesses declared that they receive crypto currencies as a payment method. Finally, 11 business selected the option “no one”, showing that they don’t participate in e-commerce.

4.1.1.2.8 Result of question no.8

Why did you decide to offer your products/services electronically? (select one or more)

81 answers



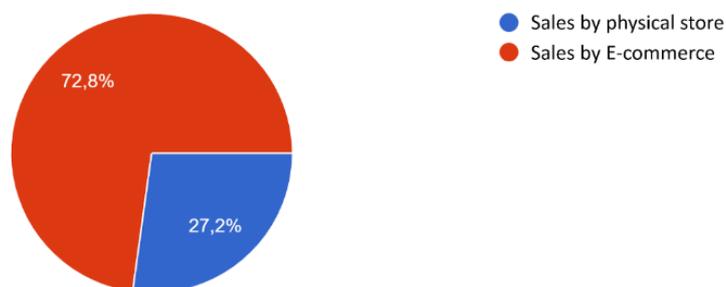
Source: self-made according to obtained data

The eighth question was also a semi-closed question, designed to determine the reason that businesses decided to participate in the e-commerce market. This question showed that most of the companies (64) decided start using e-commerce because they noticed that this sector provides higher traffic, giving them more chance of making sales. 34 companies said also that offering their products and services electronically gave them better control and administration of their company, 28 companies declared that the need to move to e-commerce was influenced by their customers' requests, 26 companies said that e-commerce gave them an advantage in the advertising as the cost is lower. 11 companies declared that they did not yet start in the e-commerce sector.

4.1.1.2.9 Result of question no.9

Where do you prefer to offer your products/services?

81 answers

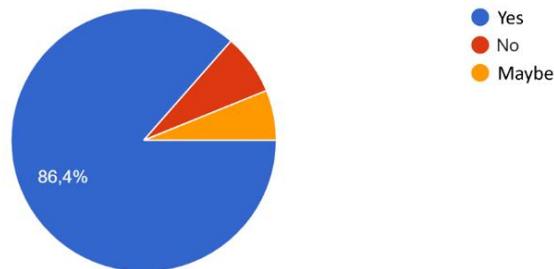


Source: self-made according to obtained data

Question nine was formulated in the close-ended style. It showed that 72,8% of companies (59) said that they prefer to offer their products and services with e-commerce, while 22 companies prefer to offer their products and services in physical stores.

4.1.1.2.10 Result of question no.10

Would you like to receive help to improve your activity and image in e-commerce?
81 answers



Source: self-made according to obtained data

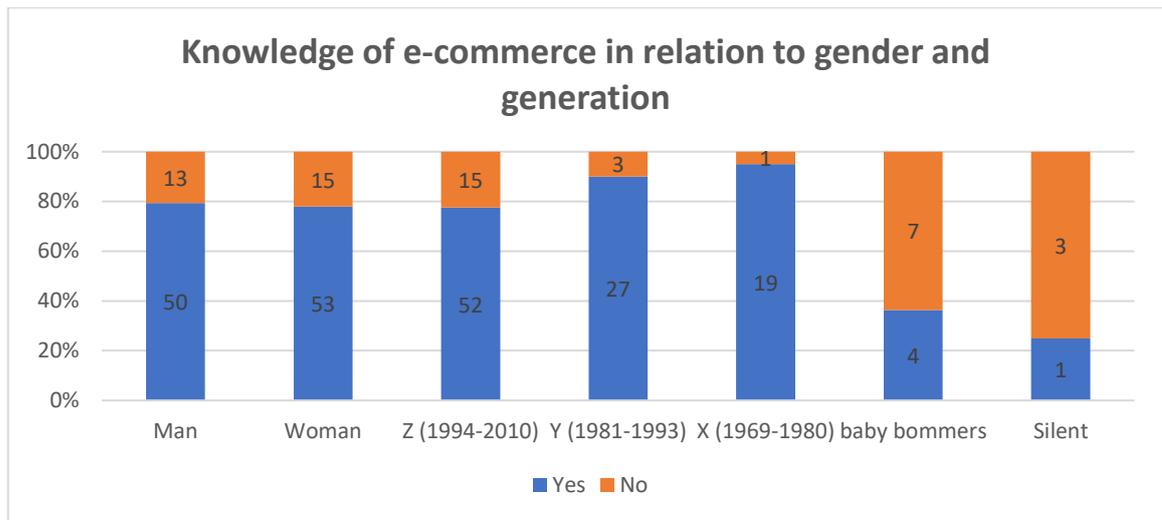
The tenth question is a close-ended question, showing that most of the companies (70) declared that they would like to receive help/support with e-commerce to improve their presence and activity, while 6 companies declared that they don't want to receive any help in this area. 5 companies selected the option "maybe", not being sure about whether they would like to receive help to improve their activity and image in e-commerce.

5. Results and discussion

According to the data obtained in the quantitative research, this part will be focused on analyzing and evaluating that data with the intention to study the connection between the answers of the community and the actual use of e-commerce in Venezuela.

5.1 Result of quantitative research for users-consumers

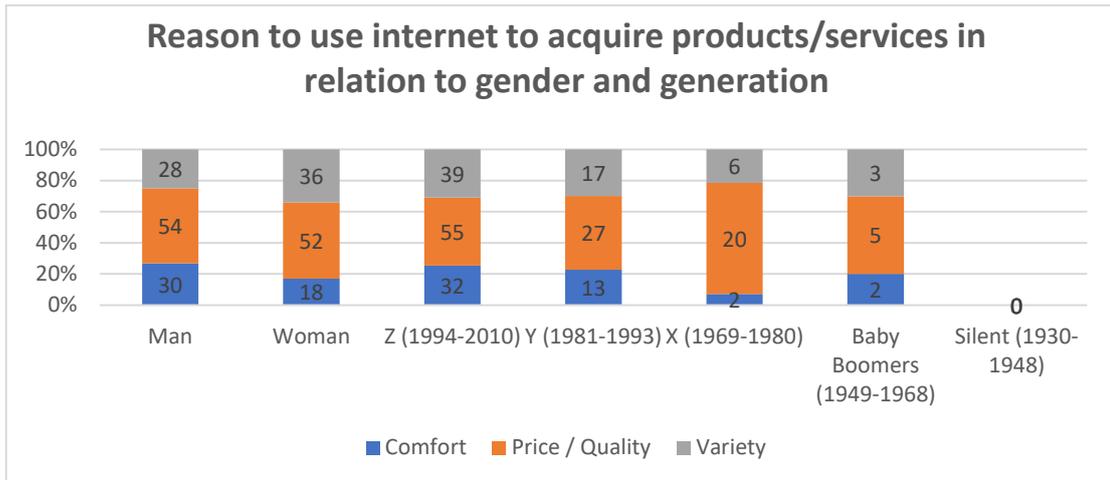
5.1.1 Knowledge of e-commerce in relation to gender and generation



Source: self-made according to obtained data

Related to the gender, we can see there is no relevant difference between women and men. Across both genders, almost 80% affirm that they have knowledge about e-commerce. Across generations, however, the differences were more evident. Generation Z has a participation (saying yes) of 78%, generation Y 90%, and generation X 95%. However, when it comes to the baby boomers and silent generation, there is a large difference, with 36% and 25% respectively. This suggests that the older generations are less comfortable using e-commerce, whereas those born between 1969 to 2010 have a greater understanding about the how to use e-commerce.

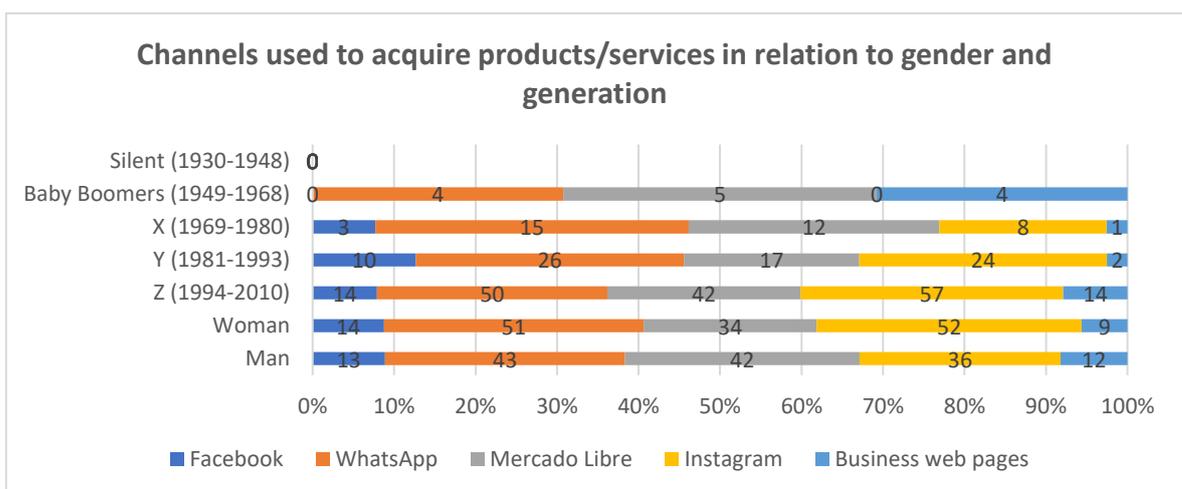
5.1.2 Reason to use internet to acquire products/services in relation to gender and generation



Source: self-made according to obtained data

The reason that consumers use the internet to purchase their products and services can be visualized in this chart. The main reason that motivated consumers is shown to be price/quality. After this, we see that the men are more inclined to use e-commerce for comfort, while women prefer the variety in the products and services that are available online. Across generations, we see a similar attitude with most of all generations indicate they use e-commerce for variety before comfort. Generation silent did not show a preference for any option, indicating their discomfort with e-commerce in general.

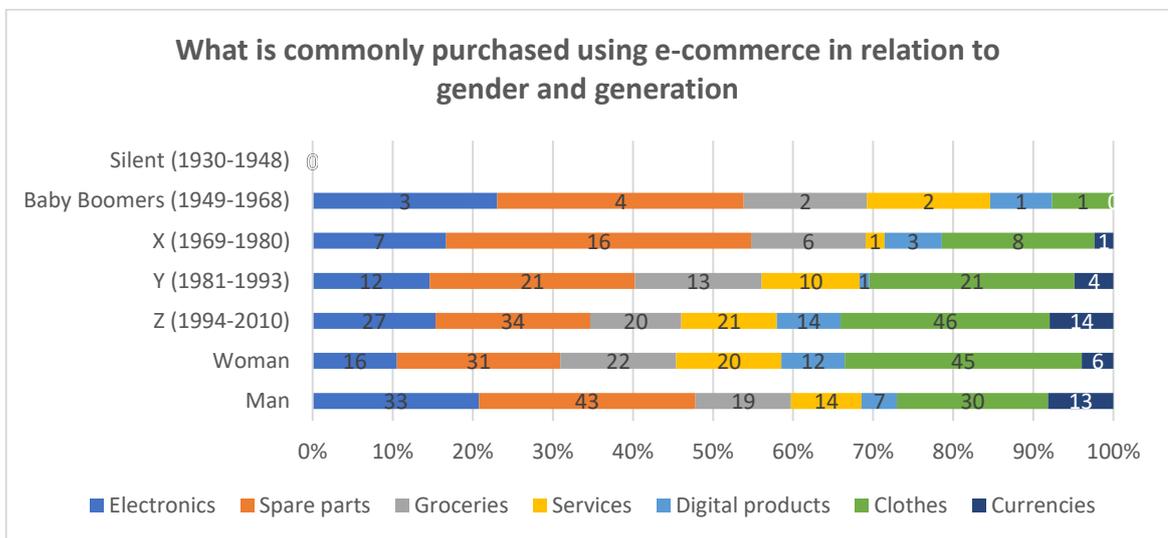
5.1.3 Channels used to acquire products/services in relation to gender and generation



Source: self-made according to obtained data

This chart shows the use of different channels to purchase products and services in Venezuela by consumers. In the case of men, their preferred two channels are WhatsApp and Mercado Libre, while for women prefer WhatsApp and Instagram. Both genders selected business web pages as the last alternative. Across all generations except Generation Z and Baby Boomers, the preferred channel to purchase products and services is WhatsApp. Generation “Z” selected Instagram as their preferred channel and “Baby Boomers” selected Mercado Libre, however both still selected WhatsApp as a second choice. Generation “Silent” does not have an opinion, as expected due to their abstinence of use of this channel.

5.1.4 What is commonly purchased using e-commerce in relation to gender and generation

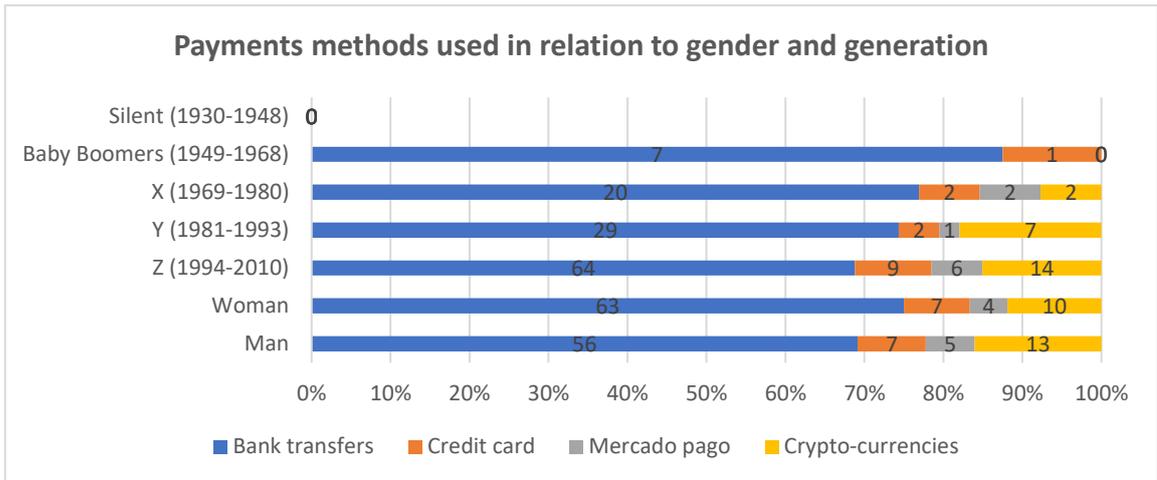


Source: self-made according to obtained data

This chart shows preferences related to product and services based on gender and generation. A comparison between genders shows that women are more inclined to obtain clothes with e-commerce, while men are focused more on spare parts. Clothes are also a demonstrated preference for generation “Z” and “Y”, while generation “X” and “Baby Boomers” are more interested in spare parts. For both categories (clothes and spare parts), consumers in Venezuela prefer to purchase using e-commerce.

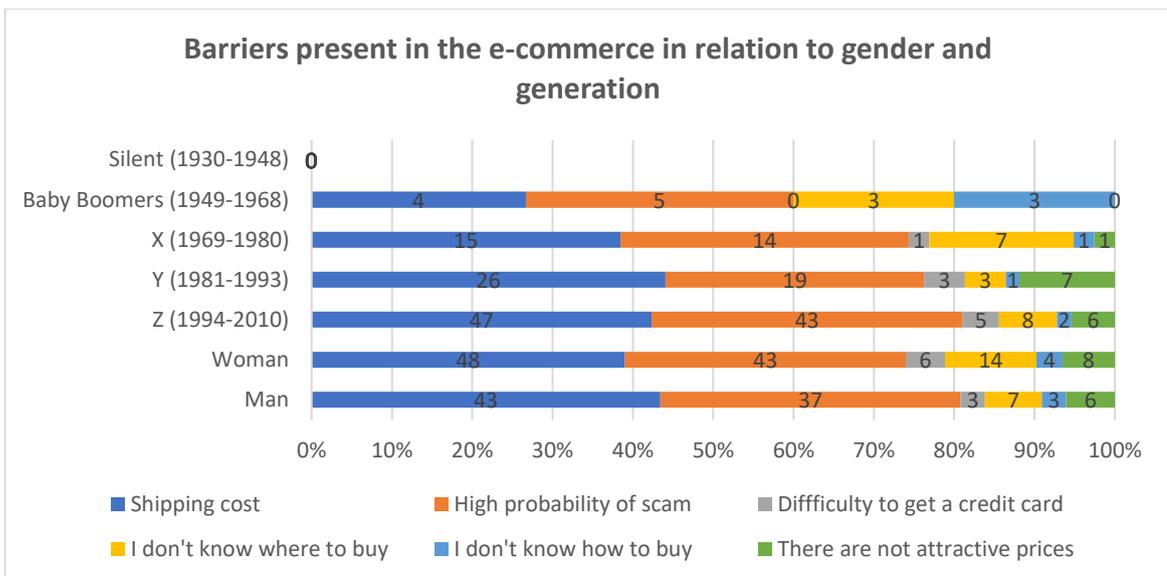
5.1.5 Payment methods used in relation to gender and generation

The following chart clarifies the preferred payment methods used by consumers in Venezuela. The data shows that bank transfers are by far the most preferred option for all genders and generations, followed by crypto currencies.



Source: self-made according to obtained data

5.1.6 Barriers present in e-commerce in relation to gender and generation

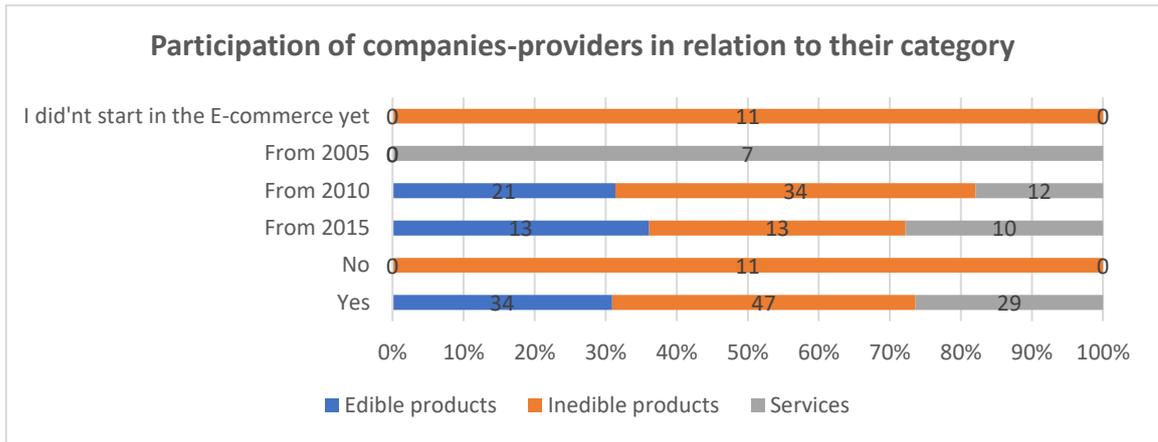


Source: self-made according to obtained data

The shipping cost charged by the shipping companies in Venezuela is the most significant barrier in to using e-commerce in the country, and this is seen across all genders and generations. The risk of scams also creates a major barrier to the use of e-commerce, limiting the acquisition of products and services through e-commerce channels.

5.2 Results of quantitative research for companies-providers

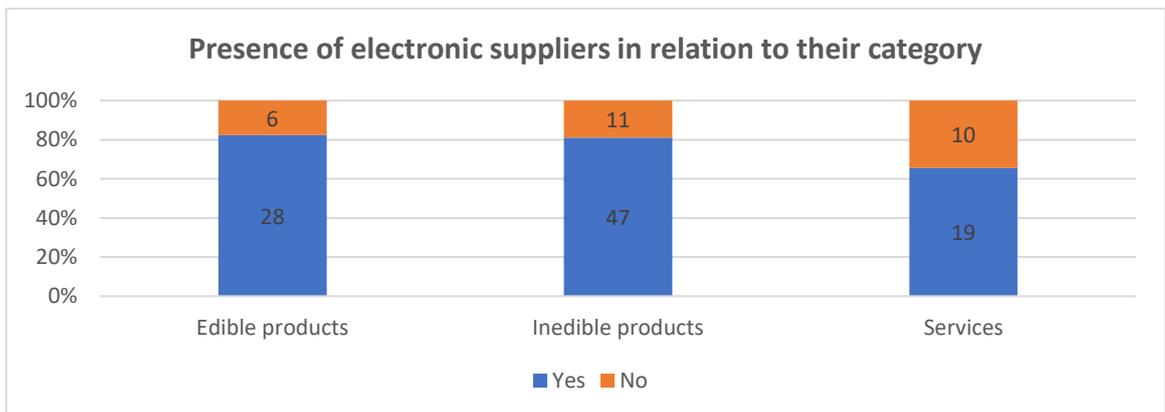
5.2.1 Participation of companies-providers in relation to their category



Source: self-made according to obtained data

This chart shows that of the companies surveyed, only those focused on inedible products do not use e-commerce in their business. All the companies offering edible products and services have presence in the e-commerce market. It is also important to note that the service companies were the first to enter the e-commerce market in Venezuela, since 2005. The other companies (that offer edible and inedible products) note that their participation started from 2010 onwards; in this way growing to an almost equal proportion of participation across the 3 sectors since 2015.

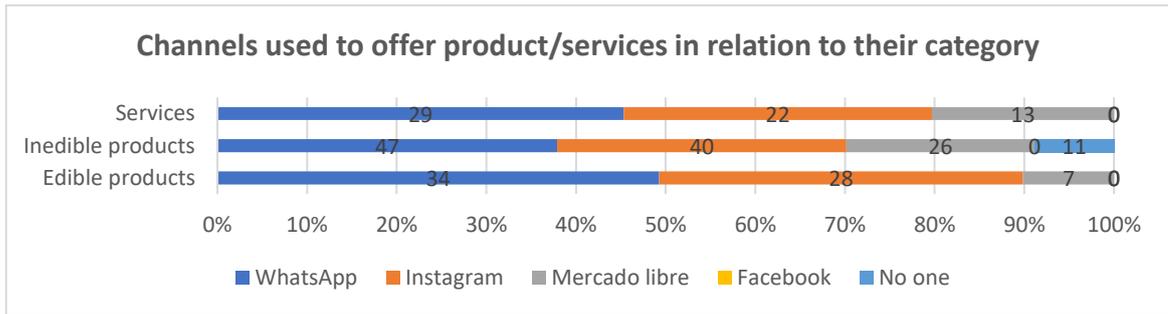
5.2.2 Presence of electronic suppliers in relation to their category



Source: self-made according to obtained data

This chart gives an explanation of the suppliers to the surveyed companies, where all claim to have in a significant majority of suppliers with electronic presence.

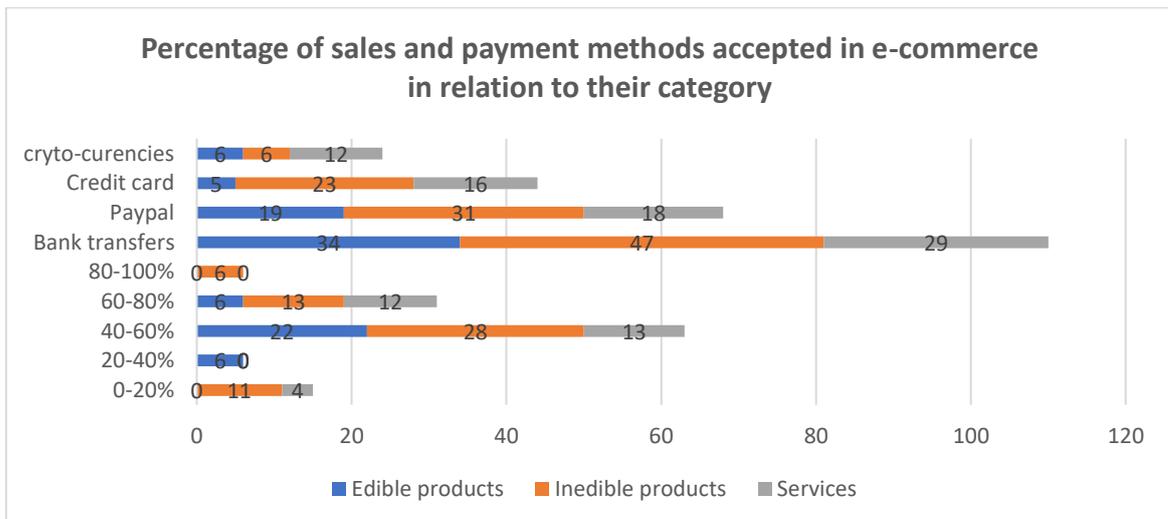
5.2.3 Channels used to offer products/services in relation to their category



Source: self-made according to obtained data

Again, in this chart it is evident that only the companies selling inedible products do not offer their products by electronic channels, and Facebook is not used by any of the companies to offer their products/services. The participation of the companies is stronger on Instagram and WhatsApp, while Mercado Libre has less usage.

5.2.4 Percentage of sales and payment methods accepted in e-commerce in relation to their category



Source: self-made according to obtained data

This chart shows that bank transfers are the most commonly used payment method to receive payments in Venezuela, with PayPal as the second-most common and crypto-currencies the least common. In terms of percentage of sales, most of the companies affirm that e-commerce supports 40 to 60% of sales, clearly showing that e-commerce has an important impact on the income of the companies that use it.

5.3 Recommendation

For companies in Venezuela, it is important to consider a number of factors when they are offering their products and services in the e-commerce market. The generation of a company's target consumers plays a fundamental role in a company's success, where it was found that the largest portion of consumers with knowledge of e-commerce are those belonging to the "Z", "Y" and "X" generation.

The price/quality is another element to take into account, as users say that this is one of the main factors they take into consideration or that motivates them to make purchases electronically. The variety of choice and comfort of purchasing from home are also a consideration, however much less important than those factors mentioned above.

The selection of the channels by which the products/services are going to be offered must be evaluated prior to going to market, as there is a difference in market preferences by demographic. For example, men have a preference for the platforms WhatsApp and Mercado Libre, so products and services aimed at men could be more successful using these channels. Between generations, WhatsApp is the application preferred by almost everyone, however Generation Z prefer Instagram and Baby Boomers prefer Mercado Libre.

For businesses that are involved in the sale of clothing and spare parts, e-commerce is the perfect place to offer their products. Results obtained from the users confirm that they are the main products that they acquire through e-commerce channels, with a slight difference in terms of gender with women more inclined to purchase clothes and men more likely to purchase spare parts.

Although bank transfers represent the main means of payment by user preference, crypto currencies must be considered by companies as a means of payment since they have begun to gain popularity in the Venezuelan market.

One of the points that companies should pay particular attention to is the cost of shipping and the risk of scams. It is important to build a positive and trustworthy reputation among consumers, as this will improve their confidence in making transactions through electronic media. Likewise, reducing the cost of shipping may result in higher sales for e-commerce businesses, as this has been shown to be a major demotivating factor for consumers to use e-commerce.

It is important to clarify that the whatever the offer (whether products or services) of a company to the market, its participation in electronic media must be immediate and well-

planned. Fast action is essential due to the high level of competition in the market, and can mean the difference between long-term success and failure.

All companies that are linked to electronic commerce say that it makes up a percentage of their sales, with most stating that sales from e-commerce make up around 40 to 60% of their total income. This is a significant amount and is a great opportunity for business growth if the sales are continuous.

6. Conclusions

As can be seen in the survey results, participation of users and companies in e-commerce is increasingly popular. As e-commerce technologies and markets have developed over the years, it has allowed for users to have greater access to products and services within their purchasing power.

It is impossible to deny that Venezuela is in one of the worst crises in its history, having economic, political and social problems. What has led both businesses and users to opt for e-commerce in the supply and demand of all types of products. On one hand, businesses have found it very attractive since they can reach a greater number of people, increasing their sales possibilities, and additionally reduce both premises and personnel costs when compared to a traditional business. As for users, they have benefited in the sense that they can find a greater range of products/services with more competition in the Venezuelan market, forcing prices to meet the demands of the market.

It is clear that there are still barriers in Venezuelan e-commerce, with users presenting concern for the likelihood of being scammed with the product or service they will receive, and the cost of shipments which can sometimes make e-commerce options less attractive.

These days, everything can be sold online. By creating an e-commerce strategy based on facts and data, a business can generate value for their clients that goes above and beyond simply the products and services that they offer, giving them an advantage in the market. For this, there are 4 questions that are important to answer as a company. Why is e-commerce the best channel to offer your products/services? Do the products/services you offer have potential for internet sales based on existing data? Do your potential clients have activity in the e-commerce market? And finally, what is the model that best suits your business and can help you drive success?

7. Bibliography

- Analítica 2019. *¿Cómo emprender un comercio electrónico en Venezuela?* [online]. 29 Jan 2019. <https://www.analitica.com/emprendimiento/como-emprender-un-comercio-electronico-en-venezuela/>. Accessed 07 November 2019
- EMPRECHTINGER, F. *What is Business Model Canvas and how does it work?* Lead Innovation Management [online]. 03 Oct 2018. <https://www.lead-innovation.com/english-blog/what-is-business-model-canvas>. Accessed 24 October 2019.
- FELDMAN, T. *An Introduction to Digital Media*. London: Psychology Press, 1997. ISBN 0415151082, 9780415151085
- FERNANDES, J. *Types of e-commerce*, Bloom Idea [online]. 05 Oct 2014. <https://bloomidea.com/en/blog/types-e-commerce>. Accessed 02 November 2019.
- Goldstein, N., Marn, S., Cialdini, R. *Yes! 60 Secrets from the Science of Persuasion*, London: Profile Books Ltd, 2007. ISBN-13:978-1781257425
- KAWASAKI, G. *The art of the business model*, Guykawasaki [online]. 24 Feb 2015. <https://guykawasaki.com/the-art-of-the-business-model/>. Accessed 07 November 2019
- KHURANA, A. *Advantage and disadvantage of e-commerce*, The Balance Small Business [online]. 6 Jul 2019. <https://www.thebalancesmb.com/ecommerce-pros-and-cons-1141609>. Accessed 07 November 2019.
- Kotler, P., Kartajaya H., Setiawan I. *Marketing 4.0 – Moving from Traditional to Digital*; Hoboken, NJ, USA., John Wiley & Sons, 2016. ISBN-13: 978-1119341208
- MARTINS FERREIRA, N. *20 ecommerce advantages and disadvantages you need to know*, Oberlo [online]. 6 Jun 2019. <https://www.oberlo.com/blog/20-ecommerce-advantages-and-disadvantages>. Accessed 07 November 2019.
- MEGÍAS, J. *¿Por qué emprender ligero? ¿es tan malo un business plan?* Javiermegias [online]. 4 Jul 2013. <https://javiermegias.com/blog/2013/07/por-que-emprender-ligero-problemas-business-plan/>. Accessed 07 November 2019.
- MEJIA, J. *Estadísticas de redes sociales 2019: usuarios de Facebook, Twitter, Instagram, YouTube, LinkedIn, WhatsApp y otros* [online]. 22 Aug 2019. <https://www.juancmejia.com/marketing-digital/estadisticas-de-redes-sociales-usuarios-de>

[facebook-instagram-linkedin-twitter-whatsapp-y-otros-infografia/](#) Accessed 15 November 2019.

OKKA, R. *Business definition according to the experts*, Higher Education World [online]. 2015. <https://highereducation-world.blogspot.com/2015/01/business-definition-according-to-experts.html>. Accessed 21 October 2019

OPORTO, B. *¿Qué significa modelo de negocio?*, Emprendedores [online]. 24 May 2019. <https://www.emprendedores.es/crear-una-empresa/a69057/que-significa-modelo-de-negocio/>. Accessed 21 October 2019.

OSTERWALDER, A. - PIGNEUR, Y. 2010. *Business Model Generation*. Amsterdam: Modderman Drunkwerk. ISBN: 978-2-8399-0580-0.

PRATT, M - WHITE, S. *What is a business analyst? A key role for business – IT efficiency*, CIO [online]. 17 Apr 2019. <https://www.cio.com/article/2436638/project-management-what-do-business-analysts-actually-do-for-software-implementation-projects.html>. Accessed 23 October 2019.

ROSSANA. *La tendencia en comercio electrónico en Venezuela es cada vez más creciente*, Revista Venezolana [online]. 01 Jun 2018. <https://www.revistavenezolana.com/2018/06/la-tendencia-en-comercio-electronico-en-venezuela-es-cada-vez-mas-creciente/>. Accessed 07 November 2019.

SCHNEIDER, G. *E-business*. 9th edition. Boston: Cengage Learning, 2011. ISBN 978-0-538-46925-8.

STELZNER, Michael. *2014 Social Media Marketing Industry Report*, Social Media Examiner [online]. 19 May 2014. <http://www.socialmediaexaminer.com/social-media-marketing-industry-report-2014/>. Accessed 11 November 2019.

WILKS, Alex. *What are the different categories of e-commerce?*, Numinix [online]. 5 Nov 2018. <https://www.numinix.com/blog/2018/11/05/what-are-the-different-categories-of-e-commerce/comment-page-1/>. Accessed 28 November 2019.

8. Appendix

8.1 Structure of questionnaire to users-consumers

1. Gender
2. To which generation do you belong?
3. Do you have knowledge about E-commerce?
4. Have you ever offered products/services by digital media channels?
5. Why do you buy on internet? (select one or more)
6. Which platforms do you frequent to buy your products/services? (Select one or more)
7. What are you used to get by digital media? (select one or more)
8. Which payment methods do you use for transactions in e-commerce? (select one or more)
9. What do you prefer?
10. What barriers do you consider is present in the E-commerce in Venezuela (select one or more)

8.2 Structure of questionnaire to companies-providers

1. What does your business offer? (select one or more)
2. Do you offer your products/services electronically?
3. Since what year your business has a presence in E-commerce?
4. Do you have suppliers electronically?
5. Which channels do you use to offer your products/services? (select one or more)
6. Which percentage represents the operations by E-commerce from the total of the operations?
7. Payment methods mostly received by electronic transactions? (select one or more)
8. Why did you decide to offer your products/services electronically? (select one or more)

9. Where do you prefer to offer your products/services?

10. Would you like to receive help to improve your activity and image in e-commerce?