

**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Economics**



**Bachelor Thesis**

**Analysis of e-market in the Czech Republic**

**Robert Obeidat**

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# BACHELOR THESIS ASSIGNMENT

Robert Obeidat

Informatics

Thesis title

Analysis of e-market in the Czech Republic

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## Objectives of thesis

The main objective of the bachelor thesis is analysis of e-market in the Czech Republic. The bachelor thesis will be focused on researching customer preferences. It will be created an evaluation and a prognosis of future trends on e-markets and a possible direction of consumer preferences of purchases via internet. Furthermore, the bachelor thesis will highlights key elements that lead to success on the Czech e-market and have tremendous impacts on profitability. The elements are selected through both theoretical analysis of the most profitable e-shops and the survey of e-market.

## Methodology

The bachelor thesis will be divided into two major parts, these are theoretical and practical ones. The theoretical part will be consisted of two parts. The first part covers definitions and explanations of e-business and related sub-chapters. The sub-chapters cover e-commerce, types of payments, and logistics within e-business. The second part will be aimed on analysis of significant elements of two most profitable e-shops on the Czech e-market. The shops were selected according to the highest amounts of annual turnover. The major objective of the practical part will be a survey of the Czech e-market from point of view of customers.

The bachelor thesis will be based on studies of credible scientific and scholar literature, electronic books, and vocational online articles. These sources will be collected from domestic and foreign libraries and web-sites.

The practical part will be solved by a method based on online questionnaires. Results of the questionnaires will be compiled to a complex prognosis of future trends on the Czech e-market.

The proposed extent of the thesis  
40 – 60 pages

Keywords

e-business, e-commerce, e-market, e-shop, Internet, Alza, Czech Computer, Heureka.cz

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Recommended information sources

SEDLÁČEK, Jiří. E-komerce, internetový a mobil marketing. 1. vydání. Praha: Ben, 2006. ISBN 80-7300-195-0

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ŠVADLENKA, Libor a Radovan MADLEŇÁK. Elektronické obchodování. Vyd. 1. Pardubice: Institut Jana Pernera, 2007. ISBN 978-80-86530-40-6.

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### **Declaration**

I declare that I have worked on my bachelor thesis titled "Analysis of e-market in the Czech Republic" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 12.3.2016

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### **Acknowledgement**

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# Analýza e-trhu v České Republice

## Souhrn

Bakalářská práce se zaměřuje na analýzu e-marketu v České republice. Tato práce má za cíl vysvětlení pojmu e-business a dalších pojmů s ním spjatých a následně analyzovat požadavky zákazníků pomocí elektronického dotazníku a na jeho základě vytvořit prognózu určující budoucí vývoj e-marketu v České republice. Dále se práce zabývá situací na českém e-marketu a analýzou dvou lídrů na území České republiky. Bakalářská práce je rozdělena na dvě hlavní části, teoretickou a praktickou část.

Teoretická část je zaměřena na vysvětlení a definici internetu a s ním spojeným vznikem e-businessu a dalších faktorů s ním spojených. Nadále jsou analyzováni dva lídři českého e-marketu podle nejvyšších dosažených ročních obrátů.

Praktická část se zabývá analýzou požadavků, nároků a preferencí zákazníků na e-shopy. Data potřebná pro analýzu jsou získány z online dotazníku. Ze zjištěné analýzy je vytvořena výše zmíněná prognóza týkající se vývoje e-marketu v České republice.

**Klíčová slova:** e-business, e-commerce, e-market, e-shop, Internet, Alza, Czech Computer, Heureka.cz

# Analysis of e-market in the Czech Republic

## Summary

The bachelor thesis is aimed to analysis of the e-market in the Czech Republic. The thesis is also aimed to explanation of e-business and other related concepts interconnected with it and analysis of customer preferences through online questionnaire that is used as a basis for a prognosis focused on future trends on the e-market in the Czech Republic. Next, the thesis focuses on situation on the Czech e-market and analysing two leaders within the Czech Republic. The bachelor thesis is divided into two major parts, theoretical and practical ones.

The theoretical part is aimed to the explanation and definition of internet, development of e-business and other related concepts. Furthermore, the two leaders of the Czech e-market according to highest annual turnovers are analysed.

The practical part is aimed to analysis of customer requirements and preferences of e-shops. The data needed for the analysis are collected through online questionnaire. Based on the analysis was created a prognosis about future situation on the e-market in the Czech Republic.

**Keywords:** e-business, e-commerce, e-market, e-shop, Internet, Alza, Czech Computer, Heureka.cz

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# 1 Introduction

Most recently the internet has reached its peak. The internet is most recently used by every individual, company, and government all over the world on daily basis. For those who realized its value and potential it became a very efficient tool to yield a lot of money and it is internet where the bachelor thesis begins. Throughout development of internet had been increasing its importance in business and finally it turned into a recent phase called e-business. E-business as we know it today started in 90' of twentieth century and last fifteen years has occurred large booms in this branch. Therefore, it can be regarded as the fastest growing type of business that is used worldwide amongst all age categories but obviously it is more popular at younger generation. Merchandise sold in e-business used to be primarily fashion, book and magazines. Nowadays, it is possible to see strengthening of role of electronics on the Czech e-market.

The theoretical part of the bachelor thesis is focused on explanation of development in the World and in the Czech Republic, e-business, e-commerce, e-marketing and related fields and branches. Next, the bachelor thesis includes methods of payments and distribution. Another important theoretical background is covered by description and an apt analysis of current situation on the Czech e-market as well as its development. On the Czech e-market two leaders according to annual turnovers were found and analysed.

The practical part is aimed to analysis of primary data collected through online questionnaires. The results are aligned according to several basic questions, such as frequency of purchases in a specific year, popularity of merchandise, preferred methods of payments and distribution of merchandise, impacts of advertising, and preferences of bonuses and rewards.

The recherche, analysis, and research were conducted in order to find out several crucial factors of e-shops and their customers. All the data and information are compiled into results that reveal assumption about ideal e-shop and a prognosis of the e-market in the Czech Republic.

## **2 Objectives and Methodology**

### **2.1 Objectives**

The main objective of the bachelor thesis is the analysis of e-market in the Czech Republic. The bachelor thesis will be focused on researching customer preferences. It will be created an evaluation and a prognosis of future trends on e-markets and a possible direction of consumer preferences of purchases via internet. Furthermore, the bachelor thesis will highlights key elements that lead to success on the Czech e-market and have tremendous impacts on profitability. The elements are selected through both theoretical analysis of the most profitable e-shops and the survey of e-market.

### **2.2 Methodology**

The bachelor thesis is divided into two major parts, theoretical and practical ones. The theoretical part will be consisted of two parts. The first part covers definitions and explanations of e-business and related sub-chapters. The sub-chapters cover e-commerce, types of payments, and logistics within e-business. The second part will be aimed on analysis of significant elements of two most profitable e-shops on the Czech e-market. The shops were selected according to the highest amounts of annual turnover. The major objective of the practical part will be a survey of the Czech e-market from point of view of customers. The bachelor thesis will be based on studies of credible scientific and scholar literature, electronic books, and vocational online articles. These sources will be collected from domestic and foreign libraries and websites. The practical part will be solved by a method based on online questionnaires. Results of the questionnaires will be compiled to a complex prognosis of future trends on the Czech e-market.

## **3 Literature Review**

### **3.1 The history of Internet and development of e-business**

The theoretical part we start with the history of the internet and with connected history of e-business. Because thanks to the internet e-business work without the internet would give to it never happened.

#### **3.1.1 History of Internet**

It was 1964, the peak of the Cold War, and Americans spent their free time building bomb shelters and stockpiling canned food in preparation for the impending nuclear attack. The government, however, had a more pervasive problem. If war did come, how would the military be able to communicate? A centralized system might easily be destroyed in wartime, and so traditional technologies wouldn't work. This fear impressed a need on the government to do something different - to develop a whole new scheme for post-nuclear communication (Ruthfield, 2016, p. 3).

The Internet we use today is one of the few positive legacies of Cold War paranoia, providing efficient and inexpensive communications between people around the world. So during the Cold War in 1969 Internet was development, then however under name ARPANET. ARPANET originally connect packet of four universities which was UCLA, Stanford Research Institute, UC Santa Barbara and University of Utah in Salt Lake City. Progressively Internet joined other institutions, especially universities. In that time the internet was purely non-issue. Its construction contributed US Army and various government agencies. Entrepreneurs him even happened because of not finding a way to use it (Ruthfield, 2016, p. 4).

In 1989, he invented by Tim Berners-Lee new way of communicating and hypertext documents. Texts which contain links to other documents, that may be located on another computer, perhaps at the other end of world. With simple and intuitive controls, this method of communication has expanded and today we know it under the name World

Wide Web. Soon the documents attached pictures. Already after 7 years in 1996, the Internet at an incredible number of users and fifty-five million. But that this progress has only just begun ten years after the Internet was also used by 900 million people around the world and today it is used by over 3 billion people.<sup>1</sup>

### **3.1.2 History of Internet in the Czech Republic**

In the times of Czechoslovakia is the interconnection of computer networks would just not be possible. And so only after November in 1989, it appeared a few interested people connected to the network, but the first obstacle was the poor condition of telecommunication infrastructure in the Czech Republic. Therefore, from 1990 to a few enthusiasts amateur that connects to the network with minimal technical condition. The network was called FIDO and enough even poor quality phone lines (Stuchlík, 2000, p. 20).

The first attempt connecting to the Internet node in Linz took place in 1991 in today's computing centre of the Czech Technical University (VC CTU) in Prague. And in December 1991 the Czech Ministry of Education approved the project submitted by the academic community and in June 1992 released twenty million Czech crowns for the construction of backbone network connecting university towns. In November 1992 were CESNET joined the two main nodes in Prague and Brno. A year later network spread into nine cities within the country. The entire network was over the threshold connected to the node Internet in Linz, Vienna, Amsterdam and Banská Bystrica. CESNET was built as an academic network but soon allowed to provide their services further profit organizations. Soon, thanks to the growing demand CESNET became a commercial internet service provider (Stuchlík, 2000, p. 21).

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<sup>1</sup> [https://is.muni.cz/th/68259/pravf\\_m/\\_kap1\\_HISTORIE.pdf](https://is.muni.cz/th/68259/pravf_m/_kap1_HISTORIE.pdf)



### 3.1.3 Formation of e-business

The first purchases on the Internet have taken place in the US in 1992. The first sale commodity became music recordings on the CD, followed by gifts and books. Only then the electronics came to it, toys and furniture. Electronic stores in America and Europe will move in different directions. While the Old Continent was manifested distrust of customers in online payments, in the United States with an internet business boomed thanks to their popularity.

Different development of e-business on both sides of the Atlantic has been given a technological lagging including the extension of credit cards. Finally, it contributed to the fears and greater distrust of Europeans for online transactions.

Americans are not afraid to pay by credit card. Merchandise kept lay on their front porch, where it after coming home easily picked up.

Czech Republic also has its own phenomenon - COD. Today, customers pay more than 60% of the ordered goods in cash during the transmission. On the contrary, in the USA it's no similar option to COD as it is in the Czech Republic.

Internet has brought the world to purchase a breakthrough. And so in the United States since 1992, began to shop from the comfort of home or office. But until the emergence of http: www began, in 1994 and 1995, the electronic stores of today type.

One such business is now traditional company Amazon.com that operates worldwide. And so was the development in the two parts of the world one common both in Europe and across the Atlantic began on the Internet to promote the large retail chains with their own online stores.<sup>2</sup>

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<sup>2</sup> [http://www.marketingovenoviny.cz/marketing\\_4391/#comment-676](http://www.marketingovenoviny.cz/marketing_4391/#comment-676)

## **3.2 E-business, e-commerce and e-market**

E-business or e-commerce first is important to say that the definitions of these terms are very complicated. In some cases, for example, the terms e-commerce and e-business are practically not distinguish, or even understood in the perspective of the Czech language as synonyms. It is given according to a very dynamic development of this relatively new phenomenon and as well as differing views of the individual authors of publications (Sedláček, 2006).

### **3.2.1 Example of definitions of e-business and e-commerce**

There are many definitions for e-business and e-commerce, let's see a few familiar quotation these definitions.

For example L. Švadlenka and R. Madleňák defined electronic business, *'e-business is any activity or process to which business organizations to engage in the use of computer network'* (Švadlenka, 2007, p. 7).

And electronic commerce is defined in the following way: *'Electronic commerce is any transaction done via a computer network, which has the result transfer of property or rights to use merchandise or services'* (Švadlenka, 2007, p. 8).

According to J. Donát, e-business is: *'Electronic business means usage of information and communication technology in order to enhance effectiveness of relationships amongst firms and customers'* (Donát, 2000).

On the other E-commerce is according to J. Jandoše more specific than E-business: *'E-Business (E-commerce) can be defined as utilizing of information and communication technologies (ICT) in processes of buying and selling, i.e.in business trade'* (Jandoš, 2001)

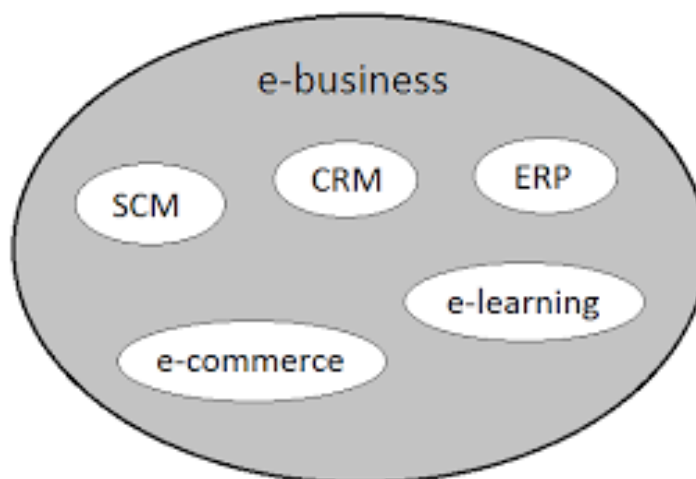
### **3.2.2 The differences between e-business and e-commerce**

This chapter overviews distinctions of the e-business and e-commerce concepts from viewpoint of a book, Electronic e-business, written by Švadlenka and Madleňák.

E-business generally refers to all forms of transactions of e-commercial activities. E-business is used in context of new information and communication technologies. E-business is a term terraced broader than the concept of e-commerce. It contains not only sell and deliver goods and services over the Internet, but also processes them connected, which means transforming all process both inside and outside the enterprise, utilizing modern technology based on the Internet, respectively the World Wide Web

Electronic commerce, namely e-commerce mostly refers to the sale or provision of services across the Internet. Another definition says of electronic trading can be understood as the exchange of information by electronic means for the purpose of concluding trade or its support. It is essentially to say that e-commerce is part of a wider field of e-business. Simplification, the concept of e-commerce is a subset of the concept of e-business (Švadlenka, 2007, p. 9).

**Figure No.1 : The relation between e-business and e-commerce**



Source: (Švadlenka, 2007, p. 9)

### **3.2.3 Definition of e-business by OECD**

Generally, the most commonly accepted definition is by the OECD (Organisation for Economic Co-operation and Development). The main reasons for this are two – It's more complex than other definitions and is commonly used in international statistics OECD, the European Statistical Office (Eurostat) and the national statistics of the Member States (Sedláček, 2006, p. 96).

This definition distinguishes electronic trading by three parts:

1. Pursuant to the means used
2. Pursuant to stakeholders
3. According to the business processes

### **1. E-business by means used**

OECD definitions in this section divide electronic trading on electronic transactions and Internet transactions.

Electronic Transaction (broad definition) - the sale or purchase of goods and services, whether it is between businesses, households, individual consumers, government or other public private organizations, which is implemented through computer networks. Products and services are ordered over those networks, but the delivery of a product or service It can be done on-line or off-line (Sedláček, 2006, p. 97).

Internet transactions (narrow definition) - the sale or purchase of goods and services, whether between businesses, households, individual consumers, government or other public private organizations, which is carried out via the Internet. Products and Services They are ordered via the Internet, but the delivery of a product or service may be done on-line or off-line (Sedláček, 2006, p. 97).

Both definitions follows that the electronic transaction from the web differs in that actual trade does not only take place with the help of internet networks, although this means nowadays clearly the most exploited.

### **2. Pursuant to stakeholders**

The definition of this type of e-business is considered to be the most important and it is also the most used. In practice, business transactions on the Internet meet three entities; consumers, businesses, and less commonly the government. On that basis, divided e-business follows.

**B2B (Business to Business)** - This is the sale of goods or services between two businessmen. The very purpose of trafficking is not intended for final consumption. In

terms of total the volume of e-commerce is all about the most important part (Sedláček, 2006, p. 97).

**C2C (Consumer to Consumer)** – Examples of C2C business model include consumer e-auctions and blogs. In a C2C business model, although there may be no financial transaction, there is still an exchange of value and these are economic activities and could be referred to as peer-to-peer. Blogs for example, have led to the development of news C2B and C2C applications by presenting the opportunity and tools for virtually anyone to express their views easily and to communicate these globally and inexpensively. For instance, Nano-publishing techniques such as blogging (write weblogs) to target specific audience. Additionally, Podcasting, video casting, and other blog-related technologies help to provide opportunities to develop new economic system and to generate alternative revenues (Anumba, 2008, p. 8).

**C2B (Consumer to Business)** – C2B on the other hand, is a business model in which consumers offer product and services to companies at a cost. This business model is a reversal of traditional business model where companies offer goods and services to consumers. Online surveys such as Survey.com, and SurveyMonkey, are typical examples of C2B models, where individuals offer the service to reply to a company's survey and in return the company pays the individual for their service (Anumba, 2008, p. 9).

**C2G and G2C (Government to Consumer, Consumer's Government)** - In the first case this is a situation where a citizen purchases goods or services from the state. The second case is conversely payments citizen of the state - for example, tax collection (Sedláček, 2006, p. 98).

**B2G (Business to Government)** - This is the case when an entrepreneur sells its products or Public service institutions messages. As an example, a variety of government contracts (Sedláček, 2006, p. 98).

### **3. According to the business processes**

This part of the definition distinguishes which parts of the business processes are electronic trade and which are not present. Marketing activities such as the purchase or sale of goods and Services are always present, in some cases, they are then included other activities especially advertising. The importance of these activities is increasing year to year.

However, most recently there are opinions that the activities does not belong to e-commerce.

### **3.2.4 E-marketing**

Internet marketing is sometimes called the online marketing. This phenomenon can be defined as the use of internet services for implementation and support marketing objectives. In these days we can say that Internet without marketing can exist, but modern marketing without Internet cannot exist (Stuchlík, 2000, p. 17).

Furthermore, sometimes we encounter the concept of e-marketing. This phenomenon can be explained in two ways. Either it can be understood only as a synonyms for the e-marketing, or as a term besides Internet marketing and mobile marketing. In that case, it sounds like the definition of the Internet and other information and communication technology to achieve marketing goals (Sedláček, 2006, p. 103).

## **3.3 Progression of e-business in the Czech Republic**

In this section we analyse e-business in the Czech Republic over last few years. Analyse it as divided via three subchapters. The first part will look at the increase in annual turnover of e-business in the Czech Republic over last three years. Second part is focus to growing numbers of e-shop and their increase during the last few years. Last part describes the range of merchandise sold in e-shops. Assortment description and see how varied change in the most common range over last three years.

### **3.3.1 Differences in annual turnover of e-business in the Czech Republic**

The first will look at the e-business in the Czech Republic for year 2012. Total turnover of e-business in the Czech Republic was amount to 37 billion Czech crowns. The average order size was around eighty thousand Czech crowns. Annually user spent on average, five thousand Czech crowns. Thirty-two percent of people purchased via e-shops more than

once, and it is interesting statistic from multiple purchases in e-shops carried out by males.  
3

In year 2013, e-business continues to grow very strongly upwards. Annual turnover was fifty-eight billion Czech crowns, which is just over one year increase of almost 40 percent up. But the average order value or average annual spend would be almost unchanged difference is negligible maximum amount of one hundred Czech crowns. But the number of users who purchased more than one increased by twenty percent for the full fifty-five percent of users who buy a product more times per year on e-shop. Continue making purchases on the Internet use more males than females.<sup>4</sup>

In year 2014, annual turnover reached sixty seven billion, and within only two years was almost doubled up. One of the major shares of e-business had this year, especially smart phones and the high valuable of these phones, the average size of make benefit was risen to two and a half thousand Czech crowns and the average purchases for the year raised to seven thousand Czech crowns. Unfortunately, the use of e-shop by gender I could not find.<sup>5</sup>

The survey of e-business in the Czech Republic for the past three years, it is evident to see that the annual turnover is growing at an incredible pace. If the e-business will continue to develop at this rate in five years could be an annual turnover of e-business in rows hundred billion. Users are getting used to buy in e-commerce and more expensive electronics and their trust toward e-shop greatly increased as increases each year and the size of orders and purchases in e-shops during each year. Therefore, the e-business sector in the very successful business and in the future, we'll meet with companies establishing e-shops more often.

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<sup>3</sup><http://byznys.ihned.cz/c1-54991650-cesko-je-e-shopovou-velmoci-internetove-obchody-vygeneruji-37-miliard-obratu>

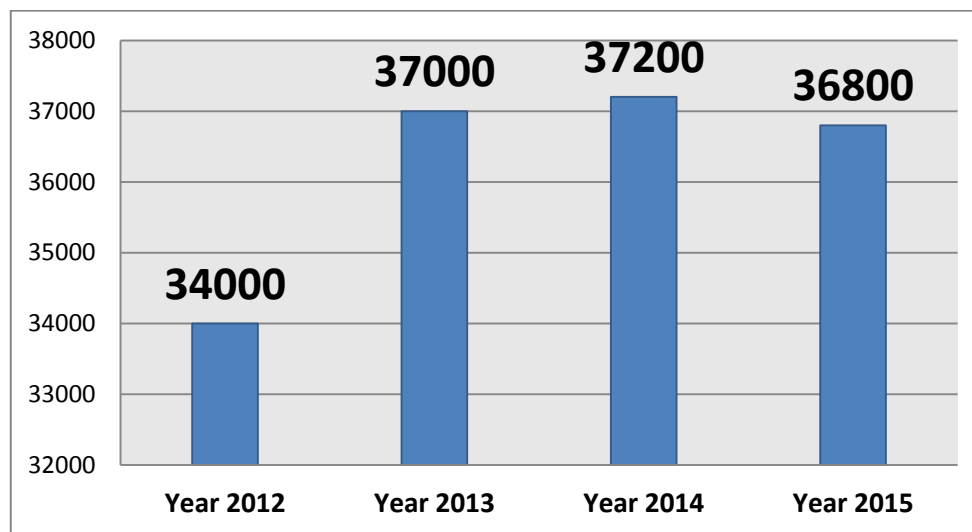
<sup>4</sup> <http://www.ceskeinfografiky.cz/stav-e-commerce-v-cr-v-roce-2013-infografika/>

<sup>5</sup> <http://onas.heureka.cz/resources/attachments/p0/3/heureka-obrat-2014.pdf>

### 3.3.2 Numbers of e-shop in the Czech Republic

In this section we will look at the growth of the number of e-shop in the Czech Republic. Comparing growth according to infographics and case studies of e-business in the Czech Republic since the company Heureka.cz was establish, about which more will say in the following subchapter 3.9.1.1.

**Figure No. 2: Growth of number of e-shops on the Czech e-market between the years 2012-2015**



Source: <http://onas.heureka.cz/resources/attachments/p0/3/heureka-obrat-2015.pdf>

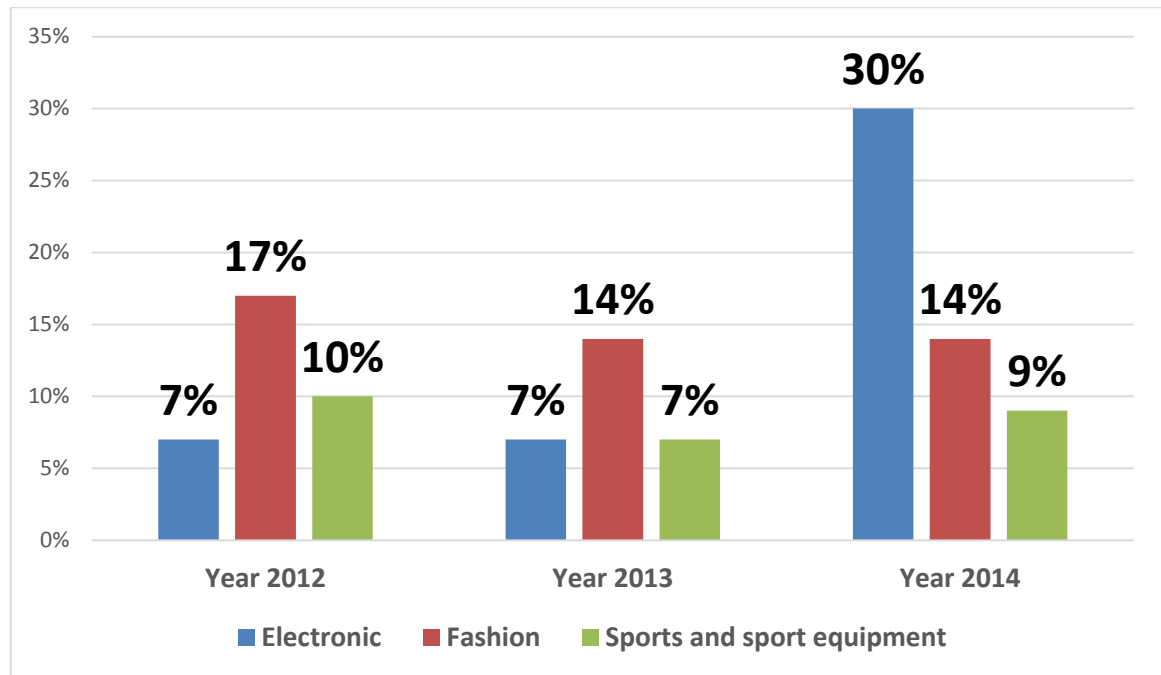
From the bar chart can be seen the number of shop in the Czech Republic. E-shops grew mainly from 2012 to 2013 when it was founded on three thousand new e-shops. Next two hundred of e-shops were founded in 2014, but during this year more than four hundred e-shops were closed. However this was not worsening annual turnover in e-business, but also a mistake of companies that they lacked consultancy services for sale on the Internet or due to a small focus on the market, the companies did not succeed or penetrated the e-business on the Czech e-market.



### 3.3.3 Change in most favourite merchandise

In the last section we will look at the bar chart representing three most popular merchandise ranges between the years 2012 to 2014.

**Figure No. 3: Changes in most selling product ranges on the Czech e-market between the years 2012-2014**



Source:2012-:<http://byznys.ihned.cz/c1-54991650-cesko-je-e-shopovou-velmoci-internetoveobchody-vygeneruji-37-miliard-obratu>,

2013-<http://www.ceskeinfografiky.cz/wpcontent/uploads/2014/03/Stav-e-commerce-v-CR-v-roce-2013-infografika.jpg>,

2014-<http://onas.heureka.cz/resources/attachments/p0/3/heureka-obrat-2014.pdf>

According to bar chart, ranges of merchandise sold were almost without changes in both growth and decline except electronic merchandise. Number of sold electronic merchandise has significantly grown, more than threefold. This is apparently caused by tremendous booms on e-market of smartphones (primarily Samsung and Apple). From my viewpoint the decline of sold fashion merchandise was probably caused by superiority of male customers on the Czech e-market (to see in sub-subchapter 3.3.1 and confirmed in original research in practical part, too see in sub-sub-subchapter 4.2.1.2)

### **3.4 Assortments and ware selling at the internet**

According to the bar chart in the previous chapter, we looked at the most popular assortment and ranges changes over the past three years, according to a study of e-business in the Czech Republic. This part consists of a description about characteristics of assortments and ware according to the literature.

#### **3.4.1 Characteristics of the merchandise range of the company**

The merchandise range of the company is characterized by four aspects - the total number of merchandise offered, proximity or similarity of merchandise lines and variants of merchandise line (Sedláček, 2006, p. 143)

One common strategy used by many online stores is to offer the broadest range of merchandise from all manufacturers of the commodity. E.g. a substantial part of the business strategy of Amazon was the biggest American physical bookstore are able to offer around two hundred thousand title books, but the total number of the heads of around two million and e-shop Amazon has no problem to offer such a large number of books, so that users which need a specific book title mostly straight look for it an online database of books at Amazon company (Sedláček, 2006, p. 143).

Other online stores again perform on a selected segment or even niches. Both these strategies in practice showed as successful. And other firms simply practise something between that (Sedláček, 2006, p. 143).

#### **3.4.2 General characteristics of the merchandise sold well via the internet**

Currently via internet to sell most of type of merchandise, yet among them there are big differences in terms of share of online sales. There are state general characteristics that positively affect desirability and profitability of the merchandise for sale on the Internet. Properties are not in order of importance. The characteristics of these include the following-merchandise are traded in a large geographical area, it is not necessary to locate him, is it a large number of species is not necessary to personally see or attempt, it is easy

to store, is durable, not too cheap (the problem of transport) and is not too expensive, it may be sold significantly cheaper than in a retail store, is targeted by users who already regularly purchase via e-shops (Sedláček, 2006, p. 145).

### **3.5 The pricing policy**

Selecting the appropriate strategy of pricing often decides whether successful company operates via the internet or not. In practice it has been found that the internet to some extent valid password "winner takes all", or the "first" mostly gaining market so strong, that is virtually unassailable (Sedláček, 2006, p. 154)

#### **3.5.1 Traditional price formation**

The most important factors for setting a price on the internet are both, internal and external factors. According to internal factors that may affect the company in a way that would be classified mainly as marketing objectives and costs associated with the operation of the store. External factors affecting pricing policy on the Internet are especially, strong competition and very good awareness of customers to offer merchandise that is on Internet given by easy price comparison. (Sedláček, 2006, p. 154)

Mentioned internal factor that influences pricing is the cost. Costs are not especially for large Internet shops insignificant, but compared to the stone trade in them can save significantly. Especially , among for savings could be included reducing the costs of communication with customers and suppliers, more often that no costs for the operation of retail store and warehouses, and is usually considerable savings in transaction, distribution and production costs. The second internal factor is marketing objectives. Marketing objectives will discuss in fuller detail in the subchapter 3.5.1.1 "Pricing strategies" (Sedláček, 2006, p. 154).

### **3.5.1.1 The pricing strategy**

The big advantage of internet sales is the ability to change prices quickly, easily and with minimal cost. It is therefore possible to effectively respond to changes in prices, for example, suppliers, changes in demand or the stock. A large part of online stores, however, try not to move prices too, usually changed once a week or once a fortnight according to the assortment. There are but examples of stores where product prices move almost every day. It can also say that thanks to the Internet have radically reduced the price differences between countries. In this chapter further look at the six types of pricing strategies according to the literature (Sedláček, 2006, p. 155).

#### **Low-price strategy**

In terms of representation is the most widely used strategy for pricing Internet. As the show much research for customers is the low price of one product the most important criteria, according to which the purchase decisions. At the same time it has a low price to buy convince even those customers who have shopping in an unfamiliar environment for them to distrust (Stuchlík, 2000, p. 156)

#### **Strategy of high prices**

In the early days of e-business it was to be expected that due to greater convenience when shopping, which undoubtedly offers Internet, stores can offer merchandise at higher prices than retail store. However, as time would show, this strategy is not simply a common market consumer goods succeed. Nevertheless, the Internet can find several examples of commodities, which strategies put high prices. These are mainly selling luxury or otherwise exceptional goods (Sedláček, 2006).

#### **Strategy of Value Added**

Sometimes it also says strategies profit from additional services. When it was introduced trade procedure applies when setting the price slightly lower than the competition and at the same time increase prices of additional services, such as service, transport, packaging etc. Customers namely in the large majority of cases, rates for these services are overlooked. However, if this strategy is supposed to function successfully, these services cannot be greatly overcharged (Sedláček, 2006).

### **Strategies for product line**

This strategy has very similar characteristics as the above-mentioned strategies added values. When it is applied trader set at the base of the product (for example, Notebook) compared to competitors very low prices and at the same time expects that a customer with them for this product purchase also accessories such as a notebook bag or computer mouse (Sedláček, 2006).

### **Strategy of everyday low prices (EDLP) and strategy of high-low card counting (Hi-Lo)**

It is not as used as strategy on the Czech e-market, which can be said about retail store. An important role in the application of price elasticity pays as character of products. Although according to marketing experts in the outcome of a strategy Hi-Lo effective, generally utilizes information EDLP is mainly due to lower costs - are not necessary large advertising investments (Sedláček, 2006).

### **Strategy of subsidizing the prices from the other income**

The principle of this strategy lies in the fact that the price of products borders on costs, sometimes even below, and the main profitable activity arises from additional income, especially from advertising. A pioneer of this method in the Czech Internet environment, the company was VOL, which in 1999 began providing internet called "Internet free ", i.e. the internet without any lump sum payments. The main profitable activity in this the case stemmed from advertising and commissions partner programs. Another application of this strategy can be freeware software or internet SMS gateway (Sedláček, 2006).

### **3.5.2 Dynamic pricing formation**

Thanks to the Internet in some areas began trading again use the so-called dynamic pricing, a method where the seller and buyer set the price individually with each purchase separately. Sometimes it also says individual or floating. Until 20th century this way of shopping based on haggling widespread after him but mainly due to the introduction of machine production replaced the single price. The principle of this pricing policy is based

on the recognition that every person is the same product was willing to pay a different amount. A prime example can be a variety of collectibles (Sedláček, 2006).

### **Individual price of regular Internet commerce**

Pioneered introduction of this pricing policy into practice was the Amazon, that individual price determined on the basis of extensive databases, shopping history, cookie files and other methods. Initially, this method was successful, but only until but customers have found that pay for the same goods higher sum than others. After a storm of protest, which led to this revelation, the company was forced to withdraw from his methods. Mainly therefore, today, this method does not use officially (Sedláček, 2006).

### **Electronic marketplace**

In contrast to the aforementioned strategy individual prices are a variety of auction and the marketplace was able to fully enforce Internet. And it's not just about the auction consumers but also between and companies, and not least among companies and consumers. Auctions are divided into several types, the most frequently used is the English auction, which is determined by the lower limit price of the object and then auctioned upwards. Less used is the so-called Dutch auction, which in turn determined the upper limit and auctioning downwards (Sedláček, 2006).

The main advantage of Internet auctions compared to the traditional lies mainly in the fact that virtually eliminates any costs associated with the transaction while there are virtually limits on the number of participants. This makes it possible to then sell at auctions goods relatively low values with which to take on the traditional auction due to high costs or pay off trade (Sedláček, 2006).

Clearly the world's largest auction server is eBay, which has been in operation since 1995 and today has more than hundred sixty million active users.<sup>6</sup>

The largest domestic Internet auction server is Aukro, founded 2003 and the number of registered users is today estimated at two and half million.<sup>7</sup>

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<sup>6</sup> <http://www.statista.com/statistics/242235/number-of-ebays-total-active-users/>

<sup>7</sup> <http://media.aukro.cz/cs/pr/202260/aukro-uz-ma-2-5-milionu-registrovanych-uzivatelu-zive-cz>

Electronic marketplaces are now widely used in the field of public administration. Here most able to enforce the so-called "envelope method" auction, where if the predefined conditions wins the company that offers products or services for the lowest price. If the offer is based, on the contrary on the part of the public body, the highest bid wins. Among the most important marketplace of this type in the country include B2B Centrum, Price Trade and AllyGem. Their use provides for public administration many advantages, including in particular cost savings, development of e-business and greater transparency in procurement (Sedláček, 2006).

### **3.5.3 Comparative shopping**

One of the reasons why many people decided to start shopping on the internet is a possibility of quick and easy comparison of prices of individual products and stores. And so it is no surprise that the internet nowadays there are a large number of servers that are currently focused on the comparison. Usually you can on these servers to find besides the actual price comparisons even more helpful for the customer information, such as reviews, comparison and evaluation of products and stores, the customer experience with the product, detailed expert advice etc. (Sedláček, 2006).

These special servers will be characterized and defined more bellow as subsections of section 3.9.1.1.

## **3.6 The payment systems**

Because the Internet shopping is unnecessary physical contact between the seller and the buyer, it was necessary to adapt itself and ways of payment. They can be divided in terms of funds used for classical and electronic payment systems (Sedláček, 2006).

### **3.6.1 Classical payment systems**

Although the classic payment method on the internet site that slowly dissolves electronic, the Czech Republic, its popularity is still high. For example, widely used in Trading in the B2B and most often payment order or bank transfer.

In the case of transactions between e-commerce business and the final consumer is frequently used method of payment on delivery, and at a personal collection of goods cash. Their popularity is due mainly to the psychological aspect, when people do not like paying for something

They not immediately benefit. Sometimes we also encounter on the Internet with payment via subscription or postal order (Sedláček, 2006).

### **3.6.2 Electronic payment systems**

This is the method of payment, which is carried out using information technology, especially the Internet. From the customer's perspective, it is the fastest and most convenient payment method, on the other hand is compared to conventional payment system increased foreign risk of abuse. Therefore all systems meet the basic requirements to they could be considered safe. They must ensure the confidentiality and integrity must be authentication of the customer and the merchant and eventually participant may not be able to deny its participation in the transaction. Moreover, it should have a number of other payment system properties such as privacy in a transaction option to cover the payment, versatility, speed, simplicity, and numerous other (Sedláček, 2006)

There are many payment service providers such as WorldPlay and Kaji, but it is PayPal that leads the market. Most businesses accept payments via their website and companies such as PayPal facilitate safe methods of transacting. One of the most important aspects of secure payment systems for e-business and e-commerce is the authenticity of transactions. The most common software used for this purpose is Secure Sockets Layer (SSL) developed by Netscape. SSL makes use of digital certificates to authenticate transactions. Most credit card transactions are protected by SSL. Another authenticity system is Secure Electronic Transaction (SET). This is a payment mechanism for confirming authenticity of both buyer and seller. Each party to a transaction has to obtain a



digital certificate from a registered certification authority (the post office and BT are two examples of these). The certificate is contained within a relevant machine, and the credit card details contained within it can only be decrypted by the issuing card company. There is no common standard in e-business; likewise there is a lack of standardisation of payment systems. There have been attempts at introducing standard payment systems but, inevitably, these have been competing rather than collaborating ventures. The two main standards are The Open Buying on the Internet; and the Open Trading Protocol (Combe, 2006, p. 49).

### **The Open Buying on the Internet (OBI)**

The system managed by CommerceNet called 'The Open Buying on the Internet' (OBI) ([www.openbuy.com](http://www.openbuy.com)) is, perhaps, the most advanced e-business standard available and is aimed specifically at business-to-business (B2B) procurement. OBI provides an open architecture that brings buyers and sellers together for the transaction of high-volume, low value products between companies that form the majority of trade between businesses. However, despite offering a detailed and comprehensive service that is easily used, OBI has failed to gain universal acceptance as a standard. The main reason for this lies not in the technology but the differing needs of buyers and sellers. Buyers can use the interoperability of the catalogues to compare and contrast prices, quality and availability of products. This undermines sellers' ability to build and maintain long-lasting relationships with buyers that can lead to brand loyalty and competitive advantage. Of course, this problem is not confined to OBI, but affects all open systems for B2B transactions (Combe, 2006, p. 50).

### **The Open Trading Protocol (OTP)**

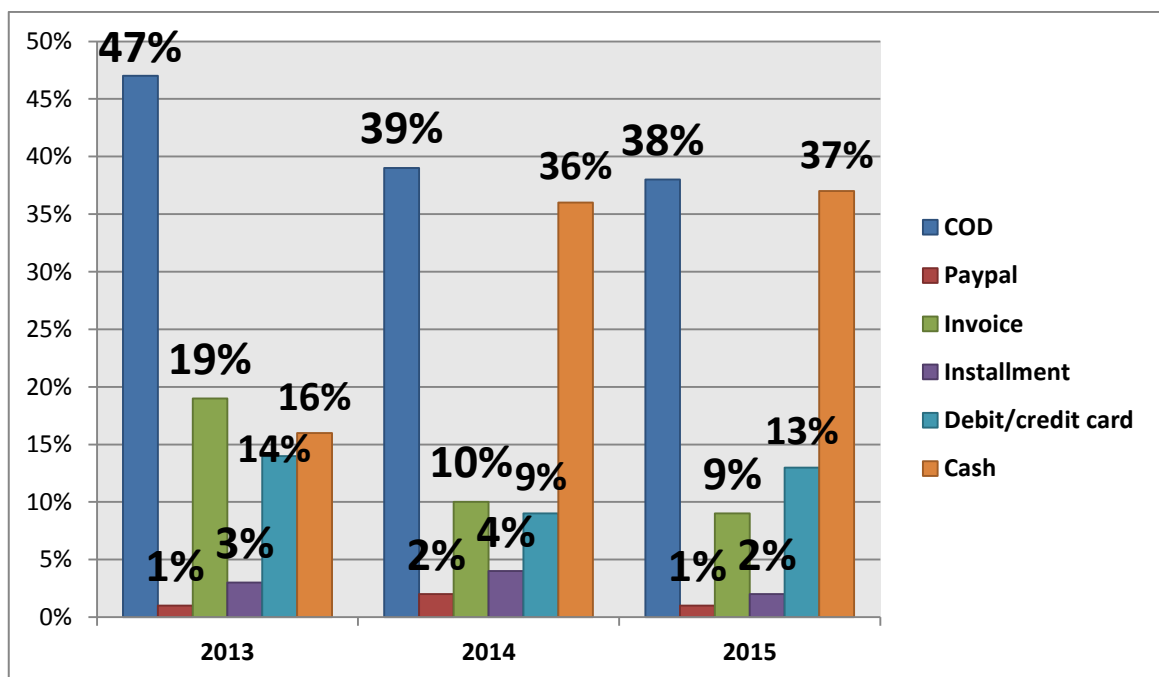
Leading developers of smart card digital money, Mondex, introduced the Open Trading Protocol (OTP) in 1997. OTP is designed to deliver a virtual analogue of the traditional trading environment across the supply chain from negotiation to delivery of products. Participants can undertake any of the key roles in effecting a transaction including offer, payment, delivery and authentication. OTP can support a range of payment systems including SET and Mondex. This means that consumers have a choice of payment systems

and may take advantage of offers, discounts or price differentials between competing systems (Combe, 2006, p. 50).

### 3.6.3 Payment method most used at the Czech Republic

In this section we will look at the most exploited payment systems of e-market in the Czech Republic from year 2013 to year 2015.

**Figure No. 4: Most used payment method during last three year**



Source: 2013-<http://www.ceskeinfografiky.cz/wp-content/uploads/2014/03/Stav-e-commerce-v-CR-v-roce-2013-infografika.jpg>.

2012-<http://onas.heureka.cz/resources/attachments/p0/3/heureka-obrat-2014.pdf>.

2015-<http://onas.heureka.cz/resources/attachments/p0/3/heureka-obrat-2015.pdf>

### 3.7 Distribution of merchandise

Of all the marketing activities of the distribution policy, along with communications most affected by the advent of the Internet. It is caused majorly by one particular, basic characteristics of the Internet that say; real distance among servers has no impact on the final costs associated with communications and data transmission. The actual shape of the

distribution then the Internet differs considerably in whether if traded goods material, or intangible. Some types of commodities, such as music and film, may be considered distribution classified into the following categories (Sedláček, 2006).

### **3.7.1 Intangible merchandise**

Trading these commodities via the internet is not only based on ordering and payment for goods or services, but also to their own distribution end customer. In such a case customer receives their goods electronically immediately after payment without any additional costs associated mainly with transportation. Also for these products facilitate the distribution of samples in the case of music, it is a short sample of the song and in the case of software his demo version (Sedláček, 2006).

### **3.7.2 Tangible merchandise**

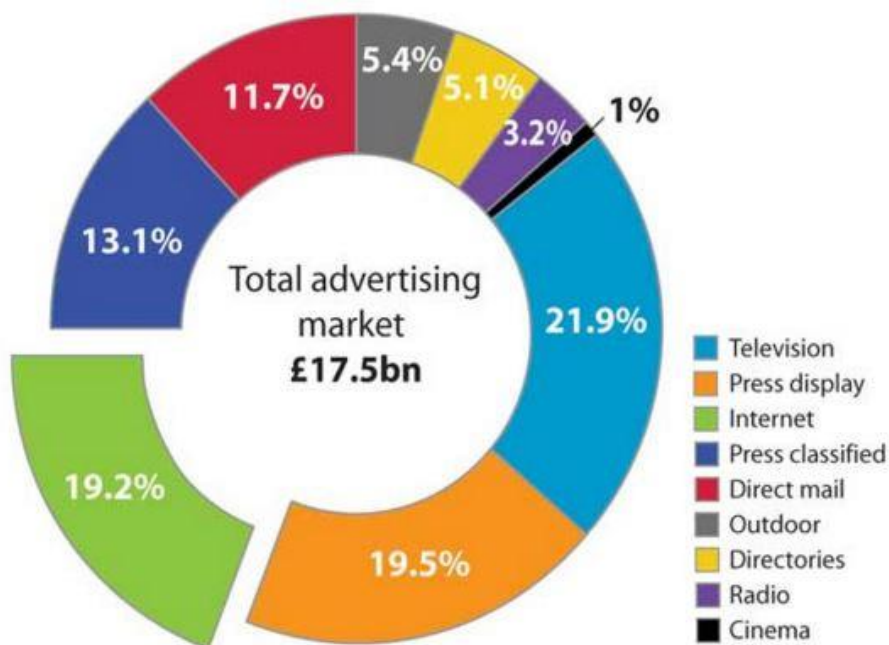
In the case of goods of a material nature is internet only place of purchase and the actual distribution is then most often carried out via specialized transport companies, less often despite their own fleet business. Cheap and fast delivery of the purchased goods has on overall customer satisfaction big impact, which is why online shop extremely important to select the right distributor (Sedláček, 2006).

### 3.8 The Internet advertising

This is the very visible part of the e-commerce with which work on the Internet meets each of us. Compared to other media, internet has a range of online advertising benefits and advantages, the most important ones include fast response, ease of targeting and also relatively inexpensive and its measurability. The first ever advertising on the Internet appeared in 1994, specifically on portals Yahoo and Wired, the Czech Republic, it was about two years later, the search engine Seznam.cz (Sedláček, 2006).

For example at the Great Britain, the total advertising is consists almost twenty percent only from internet advertising.

**Figure No. 5: Pie chart representing advertising market of the Great Britain**



Source: <http://amas.ie/online-research/state-of-the-net/issue-13/5-digital-advertising/>

### **3.8.1 Email advertising**

This is one of the earliest times of internet advertising, which of course very harmed the big boom of malware and junk email, or spam, which is often a wrongly associated with their advertising message. Its main advantages include speed transmission, low cost and the ability to effectively influence the recipient. Email advertising can be divided into two basic groups - either the entire advertising and email or just part (Sedláček, 2006).

Contemporarily, emails mainly are due to the issue of spam uses only two cases - sending offers to existing customers and the collection of company newsletter or newsletter. For their dispatch must give the owner of the mailbox and a clear agreement

At the same time, these emails should contain information on how to proceed when cancelling their subscription (Sedláček, 2006).

Much more often we can meet with advertising footer, and especially in the case Freemail (servers, allowing the creation mailbox free) and in case of communication with the company, which footers inserted to promote your emails. These usually footer contain, besides the actual advertising message and contact information society (Sedláček, 2006).

### **3.8.2 Graphic advertising**

In this category fall in particular banners or banners, graphics advertising panels and buttons. Banners are still the most frequently used form of online advertising and its application are also found in advertising campaigns on social networks. They can be divided according to the dimensions, technology and interactivity (Sedláček, 2006).

#### **Banner advertising**

Banner advertising is a rectangular graphic display that stretches across the top or bottom of a website or down the right or left sidebar. The former type of banner advertisement is called a leader board, while the latter is called a skyscraper. Banner ads are image-based rather than text-based and are a popular form of website advertising. The purpose of

banner advertising is to promote a brand and/or to get visitors from the host website to go to the advertiser's website.<sup>8</sup>

### **3.8.3 Texted advertising**

As contextual advertising to indicate the advertising message inserted into pages in the context of their content. An example might be needed links to online stores with farming needs additional article about dogs or advertising on running shoes for under Article marathon. Against the traditional banner campaigns, contextual advertising is obviously much more efficient. Currently it is mainly associated with contextual ads tied to keywords words that now almost fully replaced the ordinary - non-contextual. It is large expansion and popularity is mainly due to Google AdWords used by the world's most used search engine Google.

Since 1998, when it was first massively used Google's contextual advertising is also associated with search engines. They often supplement the natural search results and ads in context to frequently asked questions. Contextual advertising represents even their main source of income.<sup>9</sup>

Based on a relatively simple principle that the user search engine displayed only text ads in some way related to the searched words. The most frequent method of payment in this case applies a system of PPC in which advertiser pay for your ad to the moment you click on it. The biggest influence on the success or failure of the advertising campaign has its order on the site, which in the case AdWords automatically calculated using two coefficients - click through rate (ratio between the number of click and impression) and offered price (usually only given the lower price limit) (Sedláček, 2006).

AdWords (Google AdWords) is advertising by Google for businesses wanting to display ads on Google and its advertising network. The AdWords program enables businesses to set a budget for advertising and only pay when people click the ads. The ad service is largely focused on keywords.

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<sup>8</sup> <http://www.investopedia.com/terms/b/banneradvertising.asp?layout=infini&v=4A&adtest=4A>).

<sup>9</sup> <http://www.adaptic.cz/znalosti/slovnicek/kontextova-reklama/>

Businesses that use AdWords can create relevant ads using keywords that people who search the Web using the Google search engine would use. The keyword, when searched for triggers your ad to be shown. AdWords at the top ads that appear under the heading "Sponsored Links" found on the right-hand side or above Google search results. If your AdWords ad is clicked on, Google search users are then directed to your website.<sup>10</sup>

Other Google advertising system based on the principle context advertising called Google AdSense. In this case, the operator enables contextual advertising and in return it receives a commission for it when you click on it (Sedláček, 2006).

### **3.8.4 Other forms of advertising**

In addition to the aforementioned main forms of online advertising, we can also meet a number of other terms related to this issue. One example of viral marketing, which is based on voluntary "Pyramid" disseminate marketing Communication between people and most often via e-mail. In the past successfully used this form of advertising to his promotion, for example, Hewlett-Packard and Mozilla Firefox.

We can also meet fellow programs. Its principle is as follows: after contract operator placed on your site advertising link to an online store. If the customer then uses this link and consequently there something purchases, receives Web site operator a premium

Also on the Internet we often meet with indirect advertising, which is based on convincing users of the competence in the field. We are with her most frequently encountered on the Internet discussions (for example under the expert intelligence articles) and specialized or professional sites (Sedláček, 2006).

Especially in the USA are also very often we meet with sponsoring Web content that serves mainly to the goodwill are used Microsites as well, which is actually a small website usually positioned as an advertising nature complement the main website

A Microsite is a website, distinct and separate from an organization's main site, which delivers more focused, relevant content about a specific topic or to a targeted audience or

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<sup>10</sup> <http://www.webopedia.com/TERM/A/adwords.html>

even just requiring a defined action. The most popular Microsites of all-time include: Burger King's subservient chicken, Office Max's ElfYourself and Blendtec's WillitBlend. In business terms, a Microsite is a marketing tool. Used by companies of all sizes to help meet sales and marketing objectives.<sup>11</sup>

### **3.9 E-market at the Czech Republic**

The last part focuses on Czech e-market is divided into two parts. First, we will discuss the portal for competitive comparisons of prices of e-shops. The second part consists of the characteristics of e-shops that dominate on the Czech e-markets in view of highest achieved annual turnover.

#### **3.9.1 Servers provide comparison of e-shop**

On the Internet nowadays are thousands of different kinds of e-shop, and every year their number constantly increasing. Therefore, society began creating a web portal providing compare prices of all e-shop market. Shopping mentor or server provide comparison of e-shop, it is portal which, independently compares the prices of all e-shop on e-market. At this server you can quickly compare prices and choose the best e-shop for your online purchase.<sup>12</sup>

##### **3.9.1.1 Heureka.cz**

On the Czech e-market are several servers, which provide comparative comparison of prices of e-shops. In this chapter we studied the most successful Czech server, which provide comparisons of e-shop at Czech e-market, which is web portal Heureka.cz. Heureka.cz is a limited liability company founded in 2007. It is the most used server, which provides comparative comparison of prices of e-shop in the Czech Republic. Heureka.cz has a monthly website visits around three million people. First few years since

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<sup>11</sup> <https://www.microsite.com/microsites/>

<sup>12</sup> <https://www.techopedia.com/definition/1445/comparison-shopping-engine>



the establishment of Heureka.cz advantage of their price comparisons used about twenty-five percent of people, which purchase at e-shops. Nowadays Heureka.cz server utilizes up to sixty percent of people, which purchase from e-shops. Web portals Heureka.cz offers thousands of products from thousands of e-shops. Their services are verification by customer and thanks to guarantee of purchase Heureka.cz provide only credible and secure e-shops. Heureka.cz declares the annual competition, which determines the best e-shop of current year. Best e-shop is selected through the competition Shop of Year.<sup>13</sup>

### **3.9.1.2 Shop of Year**

Shop of the year is project of company Heureka.cz. It is a competition founded by the company Heureka.cz. The competition was founded in year 2009. The contest aims to find e-shops, which are the highest quality, most popular and most exciting on the Czech e-market. The winner is announced annually in three categories. Category of price of quality, category of popularity, and category price of company Heureka.cz. Winner is selected according to the independent voting of real customers and according to a professional jury.<sup>14</sup>

### **3.9.2 E-business leaders of the Czech e-market**

Most profitable e-shops on the Czech e-market selected according to the highest amounts of annual turnover and according to recurrent excellent placement in competitions shop of year. Based on those factors, I chose the company Alza and Czech computers (CZC), which are annually placed on a very good places in the competition Shop of Year and their annual turnover is one of highest at Czech e-market. In this chapter we analyse their history and glance at the properties that make them a very successful e-shops of Czech e-market.

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<sup>13</sup> <http://onas.heureka.cz/pro-media>

<sup>14</sup> <https://www.shoproku.cz/soutez>

### 3.9.2.1 Alza

In terms of turnover, it is the biggest e-shop operating at Czech a-market. Alza is the winner of the competition Shop of Year for year 2014. Although is a e-shop based focusing mainly on sales of computers and electronics, today range offered currently contains a number of other items, such as toys, games, sporting goods, household items or perfumes. For the company is working on various positions three hundred employees and a capacity of warehouse space are currently around fourteen thousands square meters.<sup>15</sup>

**Figure No. 6 : Logo of company Alza**



Source: <https://www.alza.cz/pro-media-art5028.htm>

**Figure No. 7 : Alza pay box**



Source: <https://www.alza.cz/Publish.asp?idpm=2132>

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<sup>15</sup> <https://www.alza.cz/zakaznici-utratali-u-alzy-rekordnich-14-miliard-korun-art16316.htm>

## **History of Alza**

The history of this company started in 1994, but however as trade activity with the business name Alzasoft Within three years, the company acquires shop in Prague. In year 2000 initiates its first e-shop and due to insufficient capacity of moving to nearby areas of Holešovice market, where Alza still resides as the main headquarters of company. Alza extend range beyond the borders of the Czech Republic specifically into Slovakia in year 2004. Following two years is a time of two events .The company changed business name to at that time widely used Alza. And company's turnover exceeds one billion Czech crowns. In year2007 Alza arranges into their stores in Holešovice payment Automat or Alza Pay box, which greatly accelerates the process of buying at personal collection. A year later, the company opened a new store in Brno, which in other two years, followed by further branches in Prague and Hradec Kralove, Plzen, Ostrava, Jihlava, Zlin, Karlovy Vary, Usti nad Labem, Olomouc, Liberec, Czech Budejovice.<sup>16</sup>

## **Properties that exalt Alza at Czech e-market**

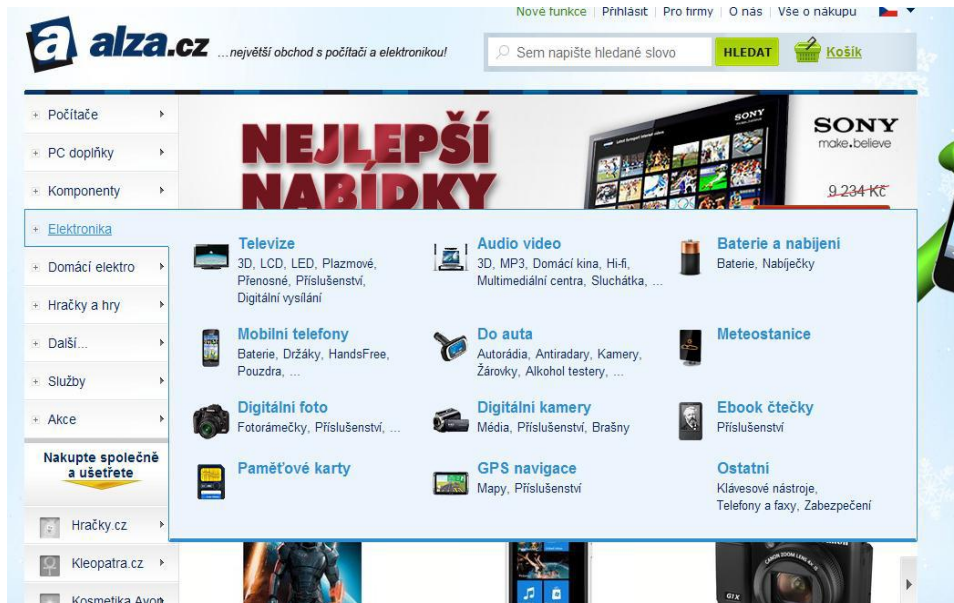
In this chapter we will discuss the most important properties of the company Alza, which makes the Alza one of most successful e-shop at Czech e-market. These properties are a lot of, but I will focus on the most important according to my point of view. It is certainly arranged menu and category, detailed product information and their pictures and perhaps the most important feature to an advertising marketing

First impressions are important not only in personal life but also in the virtual world trade. Clarity and easy menu guidance is essential to business customers interested and has not discouraged at the first page views. The ideal solution is a range of goods in general categories, which are further divided into narrower subcategories, enabling them to be more easily traced certain products. This branching solved by Alza.cz practically. Just point to the general category and will immediately display a menu of subcategories and products that fall into them. Breakdown of categories and products in this way greatly facilitates and accelerates access to individual products, saving customer's time.

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<sup>16</sup> <https://www.alza.cz/historie-a-soucasnost-art141.htm>

Figure No. 8: Demonstration of well-arranged catalogue



Source: <https://www.alza.cz/>

For the products should be described in detail all parameters, functions. May also be a sufficient amount of product images and the view abilities. Also very useful are information about product availability in stock option payments and reviews of other users, as the evaluation of the product the customer can largely influence. Randomly selected a product that offers Alza.cz provides all essential information. It informs about the availability of stock, repayment options and a warranty of two years. The customer can view the 11 product images and read other users' reviews. In reviews, it is possible to list the strengths and weaknesses of the product and to confer certain stars according to the customer's satisfaction. I Alza.cz utilizes proven marketing gimmick - a discount from the original high price.

**Figure No. 9 :Demonstration of proper presentation of merchandise**



Source: <https://www.alza.cz/>

In terms of profit of the company most important property advertising. And perhaps because of it is the most profitable company at Czech e-market Alza advertising the tears is the most widespread of all the e-shop. Their advertising can be seen on every corner. Alza uses many forms of advertising. Best known are the TV ads with a green alien's postcard declaiming incredible discounts. Also their advertising billboard can be seen on every street corner. And for us who use urban public transport it is mainly advertising discounted merchandise in each underground.

**Figure No. 10: Green alien's**



Source : <https://www.alza.cz/>

**Figure No. 11: Billboard advertising**



Source : <https://www.alza.cz/>

### 3.9.2.2 Czech computer (CZC)

Czech computer is a purely Czech e-shop with computers and electronics. In assortment Czech computer have over twenty thousand kinds of products ranging from laptops to mobile phones and for IT specialties. Thanks to its own warehouses and branches throughout the Czech Republic, we are able to deliver the goods even within the same or next day after ordering. Among our customers are not only home users, gamers and computer enthusiasts, but also to businesses, schools and institutions. Czech computer is several finalists in the competition Shop of Year.

**Figure No. 12: Logo of company Czech computer**



Source: <http://www.czc.cz/pro-media/clanek>

#### **History of Czech computer**

CZC release the first electronics e-shop in the Czech Republic in year 1998. Over the next three years, their annual turnover increases of more than sixty percent. In 2008, it achieves an annual turnover of billions of Czech crowns. Czech computer was not only the best shop with electronics, but also one of the overall most successful e-shop on the Czech e-market. Czech computer quite possibly overslept time, as during the last five years, Czech computer loses its dominant position on the Czech e-market. The market leader has become company Alza. Czech computer loses his position at Czech e-market, because the two factors. The first factor was and still is an expansion of the range. While other e-shops with electronics expansion their range of products to other categories, Czech computer further focuses only on electronics. The second factor was marketing of advertising. Leaders of the Czech electronics e-market started to utilize advertising on television. Czech computer continue to implement only advertising on radio. Czech computer

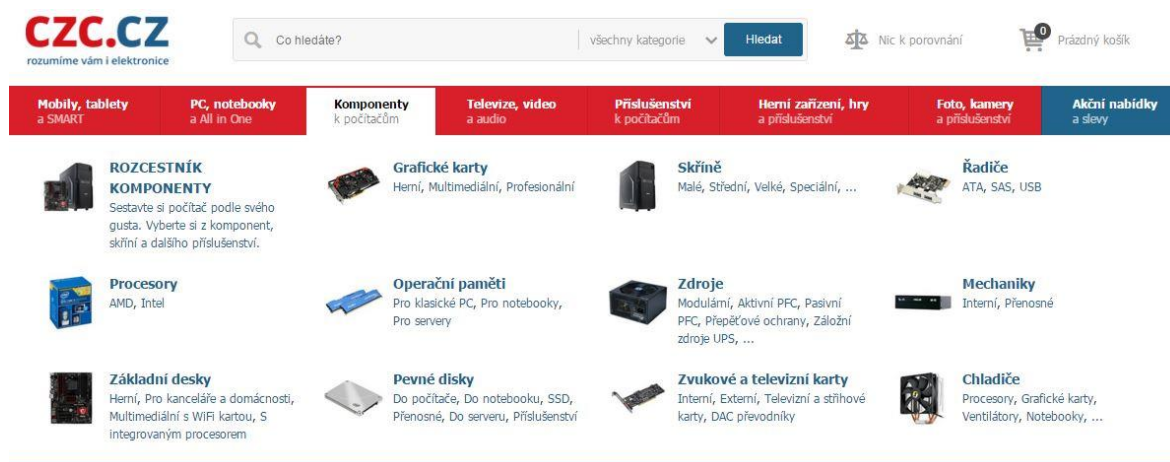
understood that the world today is mainly about advertising and in year 2013 started using television advertising as other company of Czech e-market.<sup>17</sup>

### Properties that exalt Czech computer at Czech e-market

In this chapter we will discuss same as for Alza, the most important properties, which make the Czech computer one of most successful e-shop at Czech e-market. For Czech computer analyse the same properties as for the Alza.

Czech Computer has the same as Alza greatly arranged menu and category. Of course compared to Alza Czech Computer menu is a substantially smaller because Czech Computer concentrates solely on electronics and especially on computers and computer accessories. Menu of the Czech computer is solely differently from Alza in placing category upwards. Mouse over on certain categories is the same as for concurrent Alza displays images for each subcategory.

Figure No. 13 :Demonstration of well-arranged catalogue



Source: <http://www.czc.cz/>


Czech computer has excellent detailed product information same as Alza. Every product has few pictures and described in detail all the parameters, functions and customer reviews. More figure No. below.

<sup>17</sup> <http://www.czc.cz/o-nas/clanek>

**Figure No. 14: Demonstration of proper presentation of the product**

▼ Příslušenství ▼ Popis produktu ▼ Technické parametry ▼ Diskuze ▼ Hodnocení

15,6" s LED podsvícením. Srdcem notebooku mohou být **procesory Intel včetně modelů poslední generace** dále doplněny o moderní operační systém Windows nebo bez něj pro **vlastní konfiguraci**. Výdrž notebooku při práci na baterie navíc dosahuje **vysoké výdrže**.




**Komfortní design**

Notebooky IdeaPad nabízí elegantní design v tenkém a úzkém profilu. Pohodlí zajišťuje dostatečně velký **komfortní touchpad** spolu s **klávesnicí typu AccuType**, kterou lze díky rozmístění kláves snadno čistit. Navíc je k dispozici numerický blok kláves pro ty, co upřednostňují číselné klávesy.

**Skvělý výkon**

IdeaPad řady B je výkonný pracovní stroj, který je připraven přijmout a splnit jakoukoliv výzvu. Základem jsou spolehlivé procesory Intel. Nechybí vysokokapacitní pevné disky v kombinaci s **HD grafickou kartou Intel**, nebo **diskrétním grafickým akcelerátorem**. Připojit se kdykoliv a kamkoliv není s notebookem IdeaPad řady B není žádný problém.



Počet jader procesoru: **4**

**Operační systém**

Operační systém: **Windows 8.1**

**Displej/Grafika**

Typ displeje: **matný**  
Rozlišení displeje: **1366 x 768 (HD)**  
Úhlopříčka displeje ["]: **15,6**  
Grafická karta: **Intel HD Graphics**

**Optická mechanika/Pevný disk**

Optická mechanika: **DVD**  
Typ pevného disku: **HDD**  
Počet pevných disků: **1**  
Ot./min pevného disku: **5 400**  
Interní paměť [GB]: **500**

**Operační paměť**

Typ paměti: **DDR3**  
Frekvence paměti [MHz]: **1 600**  
Velikost operační paměti [GB]: **4**

Source: [http://www.czc.cz/lenovo-b50-30-cerna\\_13/178807/produkt](http://www.czc.cz/lenovo-b50-30-cerna_13/178807/produkt)

Important property advertising is greatest shortage of the company CZC. Advertising form of billboard is definitely smaller as for Alza, but last year the number of Czech Computer billboard increased in the order of hundreds. The greatest shortage and a losses in advertising compared to Alza are primarily TV and radio advertising of Czech computer. CZC start with the first television commercial at the turn of year 2010 and year 2011, when CZC starts a new advertising campaign. From my viewpoint of the start of a new advertising campaign was the biggest turning point for the company CZC. Annual turnover of Czech computer is increased threefold from the foundation of a new advertising campaign.



**Figure No. 16: Billboard advertising**



Source: <http://www.fkmedia.cz/?billboard=56/>

**Figure No. 15 :Advertising on the stairs**



Source: <http://www.penpro.cz/fotogalerie>

## **4 Practical Part**

### **4.1 Survey of the Czech e-market from point of view of customers**

E-business is recently a sort of obviousness for almost all entrepreneurs and companies due to costs of establishing of e-business are not financially challenging. E-business usually does not generate a loss. It has usually just positive effects on sales and improvement of quality of business. Nevertheless, entrepreneurs often do not know all specific requirements and needs of customers, thus they do not offer to customers a correct range of merchandise or sufficient information about merchandise that they offer.

#### **4.1.1 Aim of research**

The main objective of the research is to determine and reveal preferences, requirements, wishes, and experiences of customers with purchases via e-shops. The researched data serve as a basis for a prognosis of the e-market in the Czech Republic and to determine properties required for successful business on the e-market. The most important properties of e-shops from viewpoints of customers, the properties are compared to three main properties of two selected leaders of the Czech e-market. The two leaders of the Czech e-market are revisit and discussed in chapter 3.9.2.

#### **4.1.2 Data sources**

Primary sources, respondents of an original online questionnaire, were used to collect information and data. The respondents were customers that were differentiated by age and gender, and who has experience with purchase via e-shops. The respondents answered the questionnaire formed of fifteen questions about their preference, requirements, and experiences with purchases via e-shops.

### **4.1.3 Methodology of data collection**

The selected method of data collection was a questionnaire survey. The questionnaire (to see in Appendix No. 1) contains a total of fourteen closed questions, and the questionnaire is in electronic form. Questionnaire has been developed at a company Survio.com. Survio.com is a firm founded in year 2012 providing services for creating online questionnaires. The questionnaire was freely accessible on the internet with its own URL link. The questionnaire was distributed through email invitations and social networks.

## **4.2 Results of the analysis of the Czech e-market**

The results are displayed in pie and bar charts. Each of following results is based on hundred answers from respondents of questionnaires.

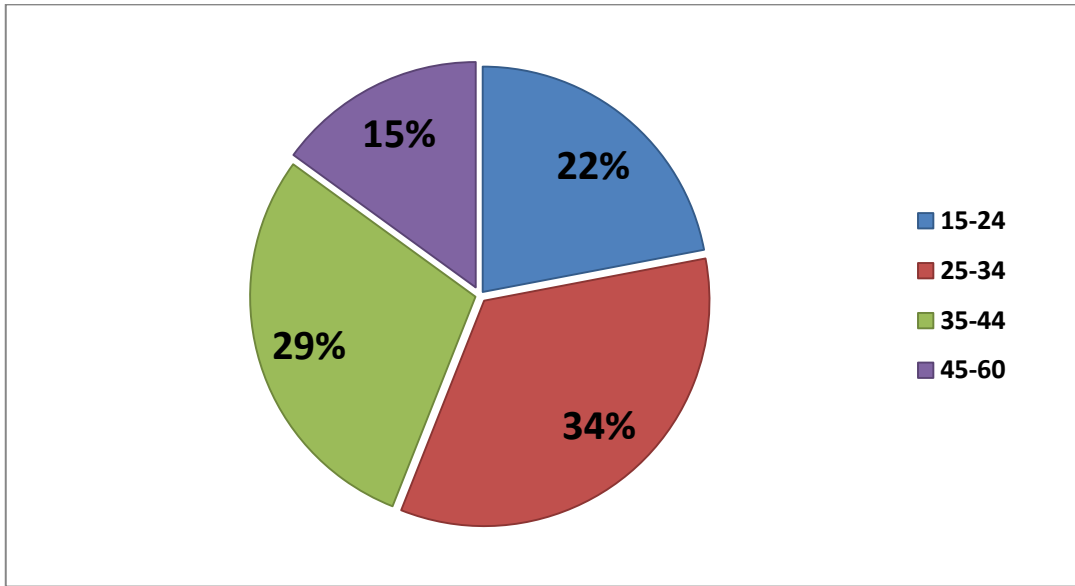
### **4.2.1 Identifying average respondents**

In this subchapter of the practical part is identified an average respondent according to age and gender.

#### **4.2.1.1 According to age**

According to results of the questionnaires, there are two major groups of customers (regarding to age) who purchase goods via internet on the most frequent basis. The first group of customers is between the ages of 25-34 years, and the second group of customers is between the ages of 35-44 years. In contrast, customers between the ages of 45-60 were researched as a group that do not prefer purchase via e-shops to in person. This is possibly caused by a fact that elders are less likely experienced with information and communication technologies. Lastly, people between the ages of 15-24 were researched as a middle group.

**Graph No. 1: Percentage of average age of respondents**

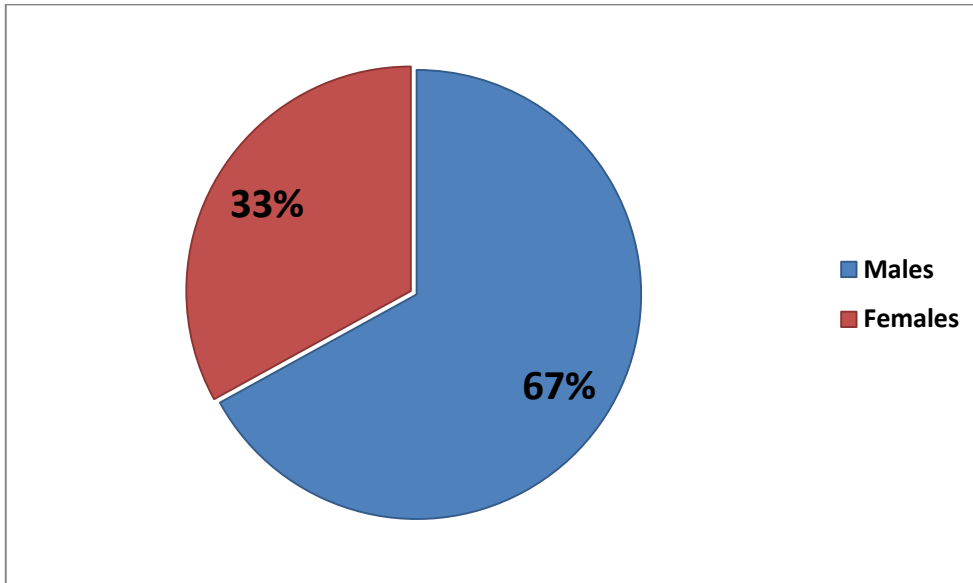


Source: Author

#### **4.2.1.2 According to gender**

The questionnaires researched significant differences of frequency of purchases via e-shops. In accordance with the pie chart based on internet questionnaires, the gender of customer represents a crucial factor. This can be possibly caused by a fact that males show more signs of laziness, on the other hand females might prefer usage of senses during a process of purchase.

**Graph No. 2: Percentage of gender differences of respondents**



Source: Author

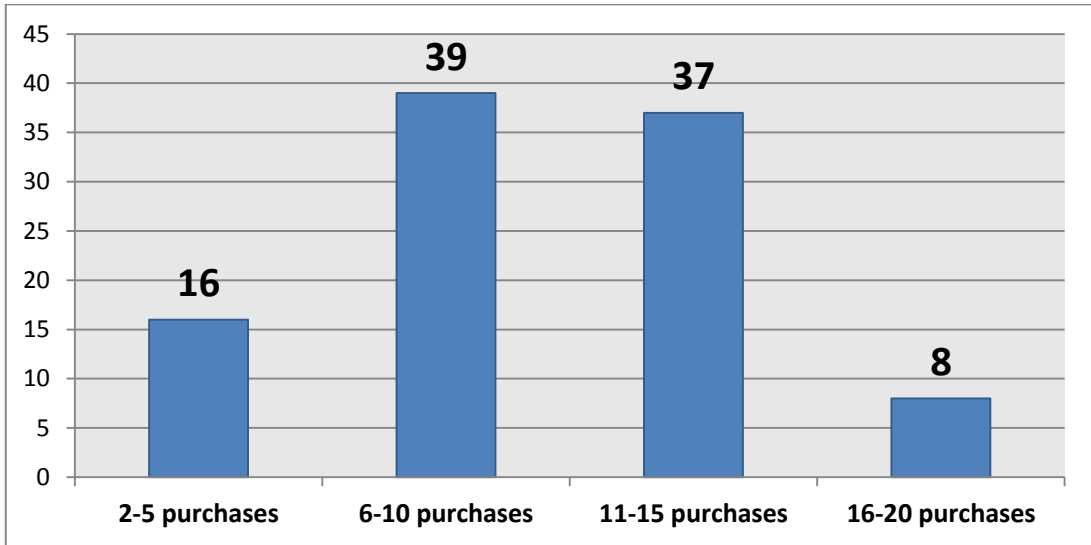
#### **4.2.2 The average number of purchases**

This subchapter is composed of two fundamental charts that contain basic data for following prognosis of future trends on the Czech e-market, this is a number of purchases in last year representing the basis of prognosis. The second bar chart shows the prognosis of approximate number of purchases in next year via e-shops.

##### **4.2.2.1 Last year**

This particular bar chart is designed to point out frequency of customer purchases. The chart is divided into four categories; 2 to 5 purchases, 6 to 10 purchases, 11 to 15 purchases, and 16 to 20 purchases per year. Most of examined respondents answered positively to the second and third categories therefore it is possible to say that most of customers (76) purchase goods via e-shops 6 to 15 times per year

**Graph No. 3: The average number of purchases in last year**

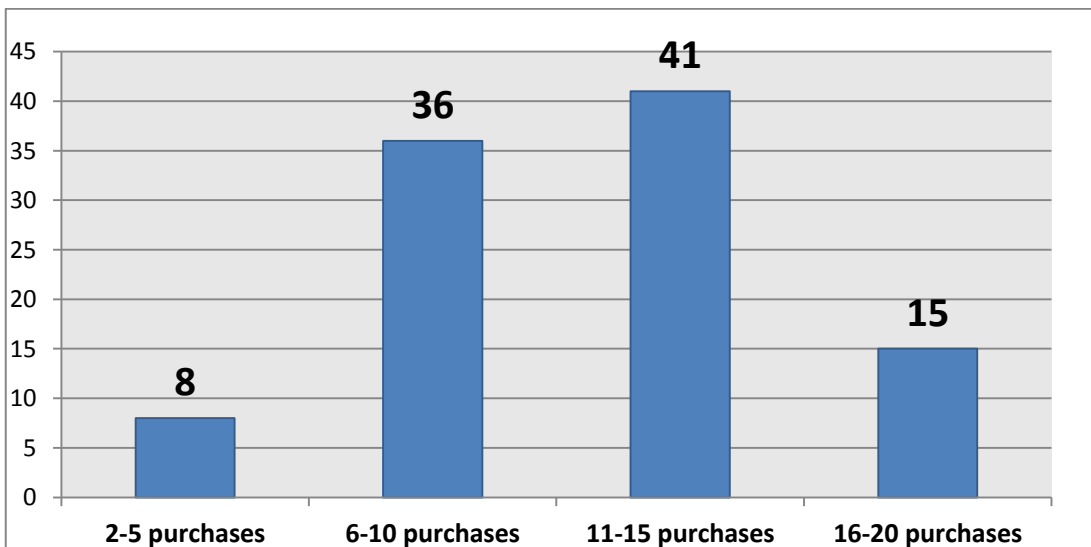


Source: Author

#### 4.2.2.2 Next year

As reported in the bar chart, an approximate number of purchases in next year is going to grow in the category 16-20 purchases per year, an approximate number of category 2-5 purchases is going to sink down, and an approximate numbers of categories 6-10 and 11-15 are going to remain more or less the same like in last year.

**Graph No. 4: Predicted approximate number of purchases in next year**

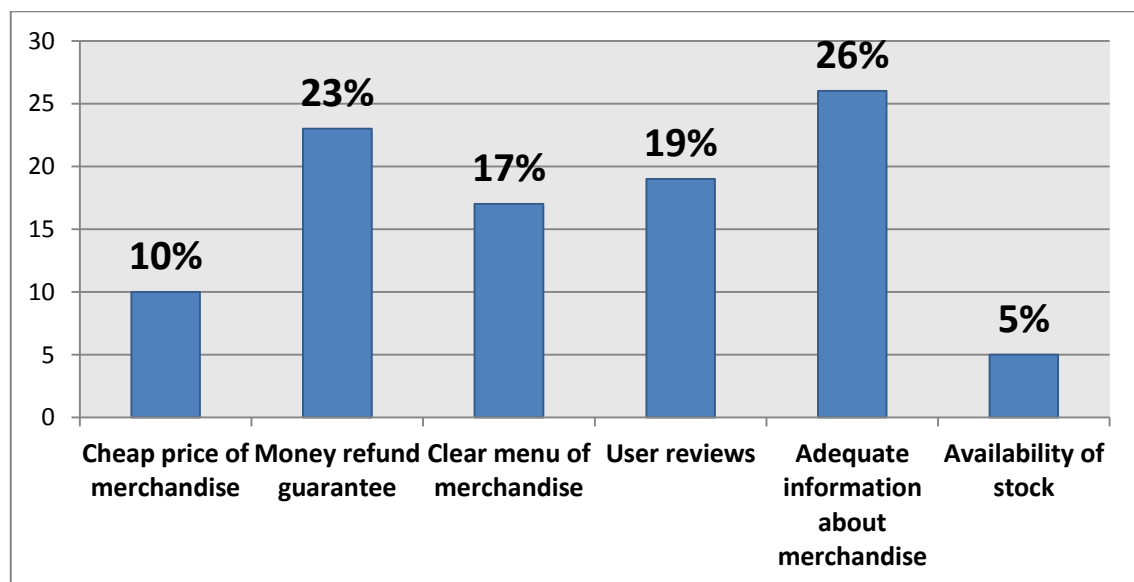


Source: Author

### 4.2.3 Customer requirements for a selection of e-shop

The bar chart deals with requirements that lead to selecting a specific e-shop from viewpoint of customers. The bar chart highlights that from point of view of customer there are four major requirements; money refund guarantee, clear menu of merchandise, user reviews, and the most crucial requirements is providing adequate information about merchandise. Surprisingly, only ten respondents from one hundred selected as requirement cheap price of merchandise. Lastly, researched data shows that customers do not assign high priority to availability of stock.

**Graph No. 5: Requirements for selection of e-shop**

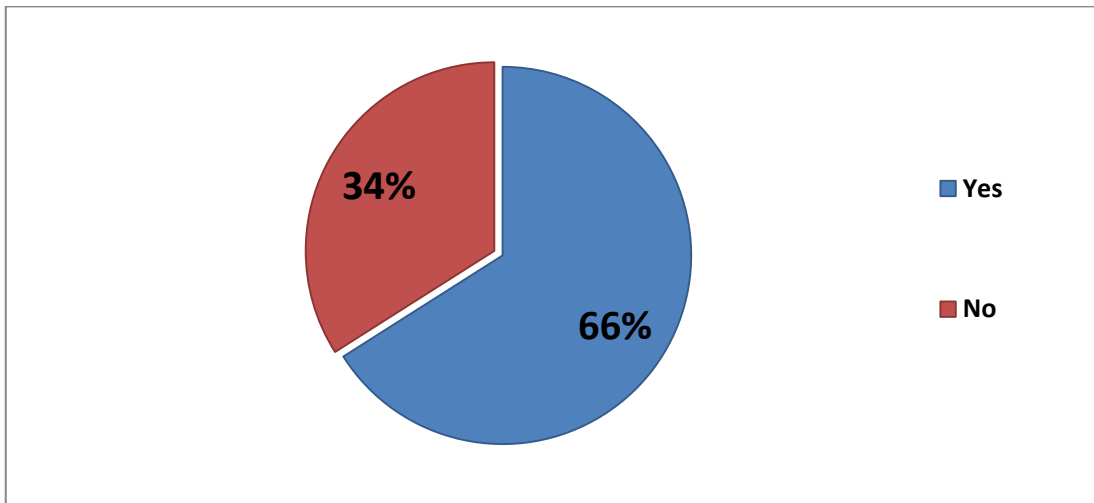


Source: Author

### 4.2.4 Use of server Heureka.cz

According to the following pie chart it is possible to state that 66 percent of respondents use a server Heureka.cz which provides cooperative comparison of prices of all e-shops available to customers on the Czech e-market.

**Graph No. 6: Use of server Heureka.cz**



Source: Author

#### **4.2.5 Range of merchandise purchased in e-shops**

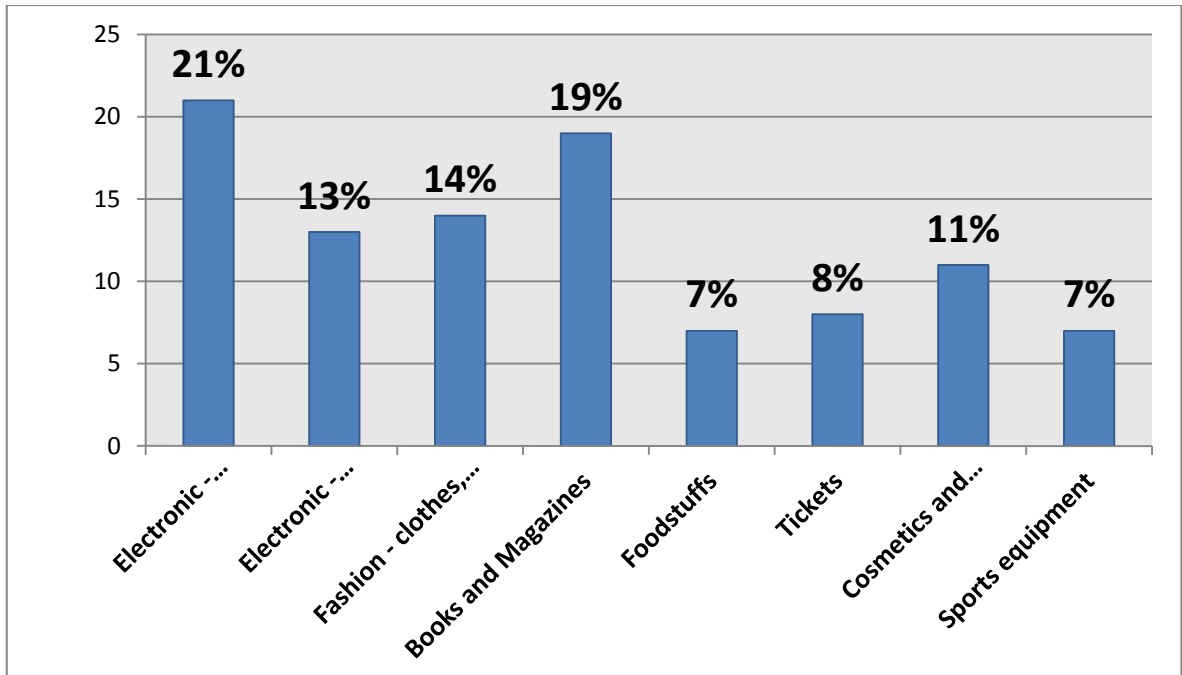
In this subchapter clarifies two bar charts that provide information about the most popular range of merchandise for last and next years. Moreover, the data from were used to prediction of future trends on the Czech e-market and popularity of specific range of merchandise. The range of merchandise was grouped up into several general categories, such as Electronic merchandise, fashion, magazines, tickets, etc.

##### **4.2.5.1 Range of merchandise in last year**

In accordance with the researched data and created bar chart, it seems that greatest popularity has electronic merchandise-televisions, and books and magazines, in the middle are following categories; fashion, electronic-smartphones, cosmetics and perfumery, and the lowest popularity was found in purchases of foodstuffs and sports equipment.



**Graph No. 7: Most Popular range of merchandise purchased in e-shops in last year**

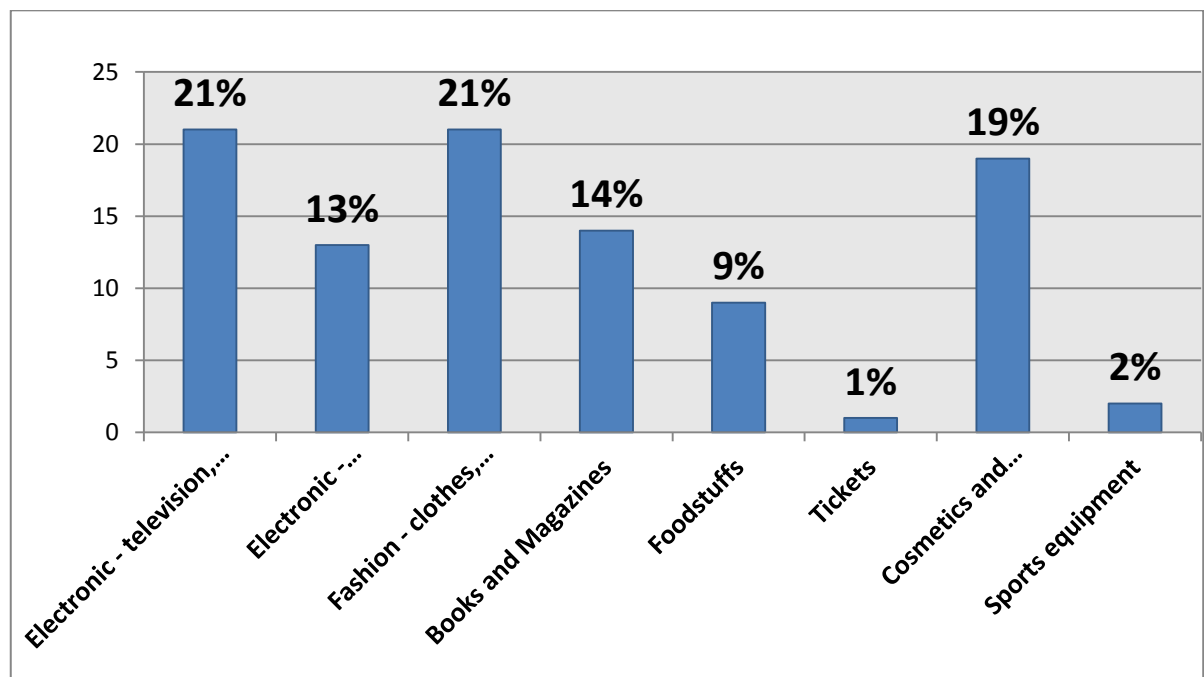


Source: Author

#### **4.2.5.2 Range of merchandise in next year**

The following bar chart serves to inform about future trends and prediction of popular range of merchandise. The most visible fact is that electronics – television and smartphone is going to keep its popularity, whilst popularity of fashion and cosmetics is going to increase in next year. Contrarily, popularity of books and magazines, tickets, and sports equipment is likely going to decline in next year.

**Graph No. 8: Most Popular range of merchandise purchased in e-shops predicted for next year**



Source: Author

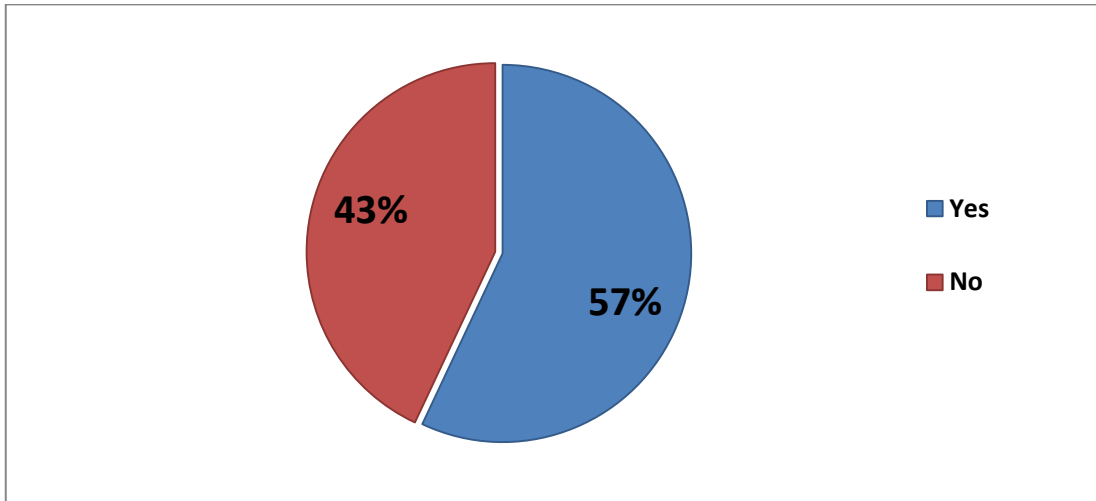
#### **4.2.6 Analysis of marketing strategies and their impact on customers' decisions**

Following subchapter provides closer insights into impact of marketing efforts of companies as well as into customer preferences and perceptions of specific marketing strategies and customer services.

##### **4.2.6.1 Influence of advertising to customer behaviour**

The pie chart points out importance of selecting right and appropriate marketing strategy in advertising. It says that through right advertising is possible to persuade to purchase more than half of customers (57 percent) that lead toward a significant revelation about strength of this marketing concept.

**Graph No. 9: Influence of marketing efforts on customer decision making**

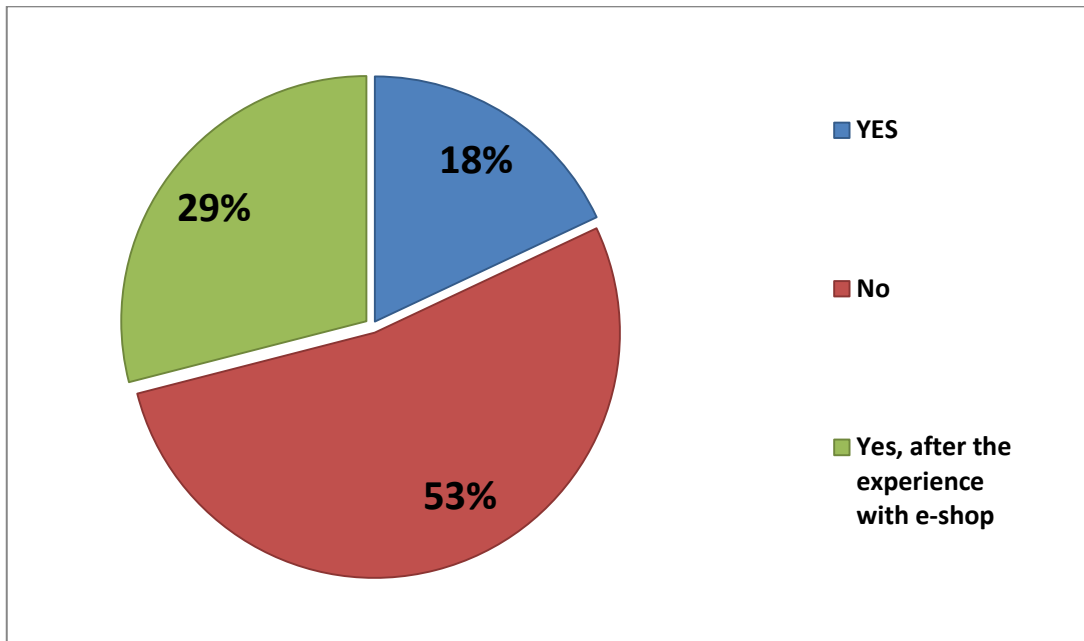


Source: Author

#### **4.2.6.2 Usage of various loyalty programs**

The pie chart below uncovers that majority of researched customer tend to not use any selection of loyalty programs. This can indicate possible lack in quality of offered bonuses and rewards as well as in selected strategies to establish long-lasting relationships with customers. However, 29 percent of researched respondents tend to involve into decisions about joining loyalty programs so we can assume that positive experience with a specific e-shop represents a crucial factor in sustain long-lasting relationships with customers.

**Graph No. 10: Usage of registrations on e-shops' websites in order to receive various bonuses or rewards**

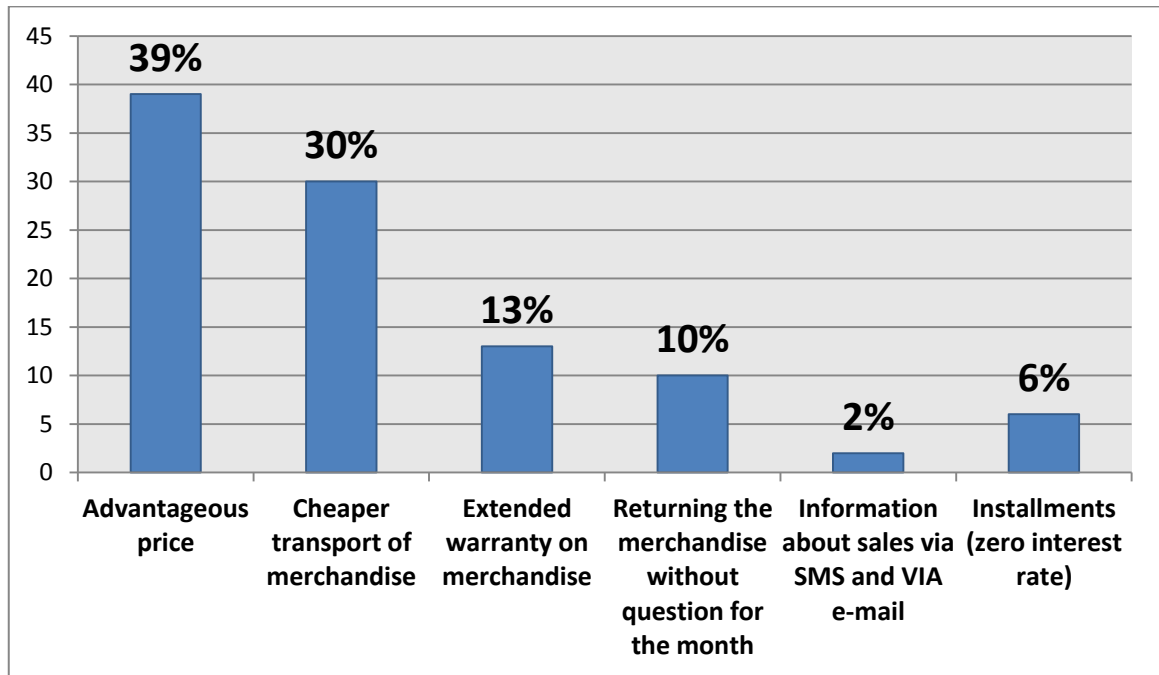


Source: Author

#### **4.2.6.3 Bonus and reward preferences**

As reported in the bar chart, respondents' preferences of rewards and bonuses are primarily advantageous price and cheaper transport of merchandise. These two aspects represent extraordinarily large shares (69 percent) in responses. It seems like preferences are oriented simply to decreasing price of merchandise and transport toward the customers. Hence, e-shops ought to focus on developing such bonuses and rewards that are in line with researched data.

**Graph No. 11: Bonus and reward preferences of customers**



Source: Author

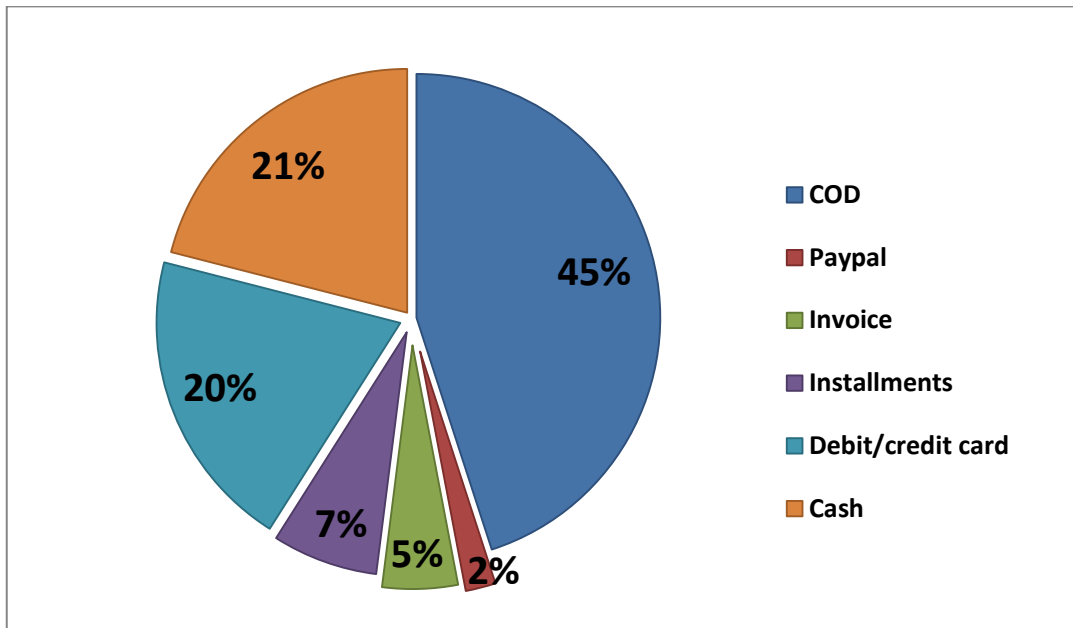
#### **4.2.7 Methods of payment and transport of merchandise**

This subchapter serves as foundation for understanding of respondents' prioritised methods of payments and transport. Both methods of payment and methods of transport are divided into major options that can be selected by regular customer on the Czech e-market.

##### **4.2.7.1 Payment method**

The pie chart highlights that respondents choose majorly three methods of payment; the most frequently used method is COD that is used by 45 percent of researched respondents. The second and third most frequent methods are purchases by debit/credit and invoices, both represent approximately 20 percent. The questionnaire revealed a fact that within the Czech e-market is the least frequently used Paypal, this probably caused by low awareness of this option amongst Czech customers.

**Graph No. 12 : The most utilized method of payment**

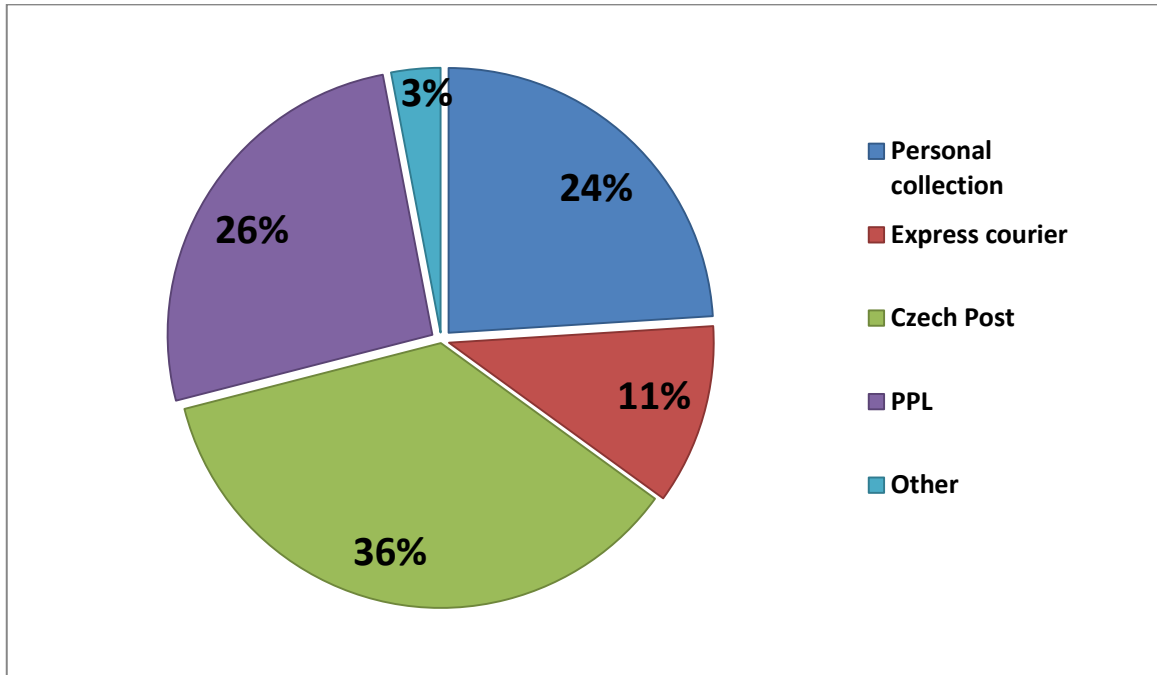


Source: Author

#### **4.2.7.2 Methods of transport of merchandise**

The researched answers are recoded and subdivided into five major categories; personal collection, express courier, Czech post, PPL, and other. As far as the most preferred categories, respondents mostly use Czech posts. It is apparently caused by the high level of conservatism in the Czech Republic. Personal collection and PPL are also fairly popular methods primarily most recently occurs tendency to alter Czech post because of low quality of its services. In the line with answer, the least specified method of transport is express courier.

**Graph No. 13: Analysis of preferences of transport methods**



Source: Author

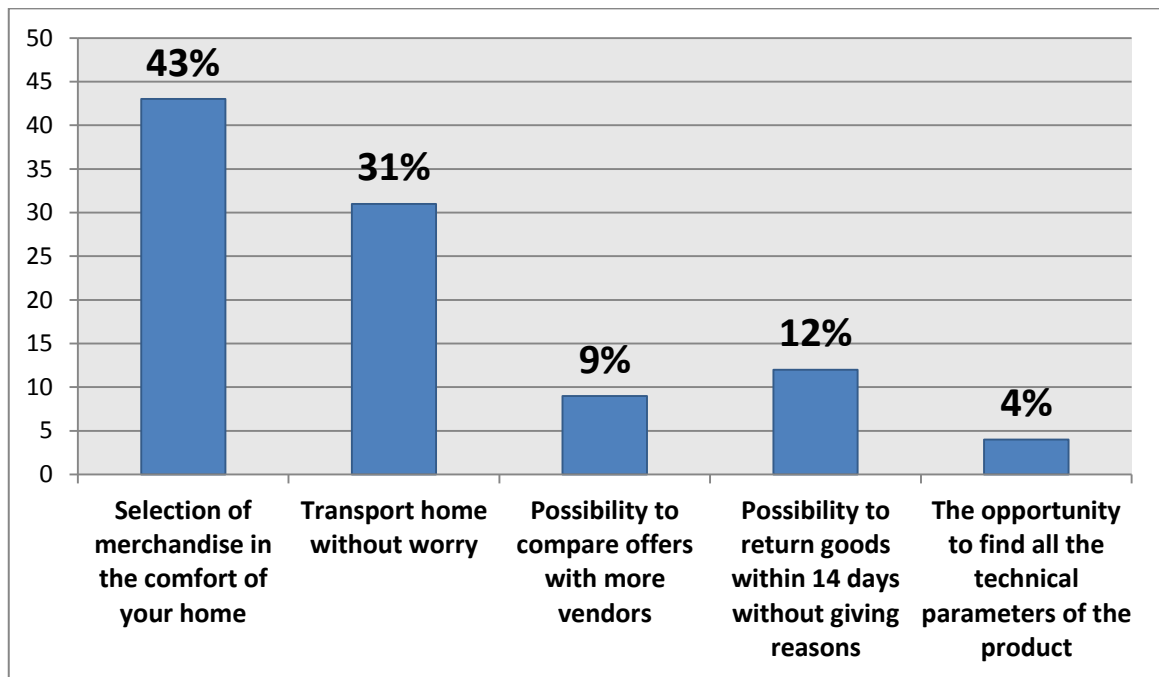
#### **4.2.8 Advantages and disadvantages of purchasing via e-shops**

Lastly, this final chapter consists of strengths and weaknesses of e-shops on the Czech e-market. The following two bar charts represent the most crucial advantages and disadvantage of purchasing via e-shop, the data was selected through respondents' answers.

##### **4.2.8.1 Advantages of purchasing via e-shops**

The research revealed that superiority of respondents (74 respondents) select only two advantages; selection of merchandise in the comfort of your home and transport home without worry. Firstly, the selection of merchandise is most likely caused by a fact mentioned above; the majority of respondent were males (represented by 67 percent). Secondly, the perception of safe and secure transport as a second advantage is also in line with other part of the research; 30 percent of respondent would appreciate cheaper transport of merchandise as favourable bonus and reward.

**Graph No. 14 : Advantages of e-shops**



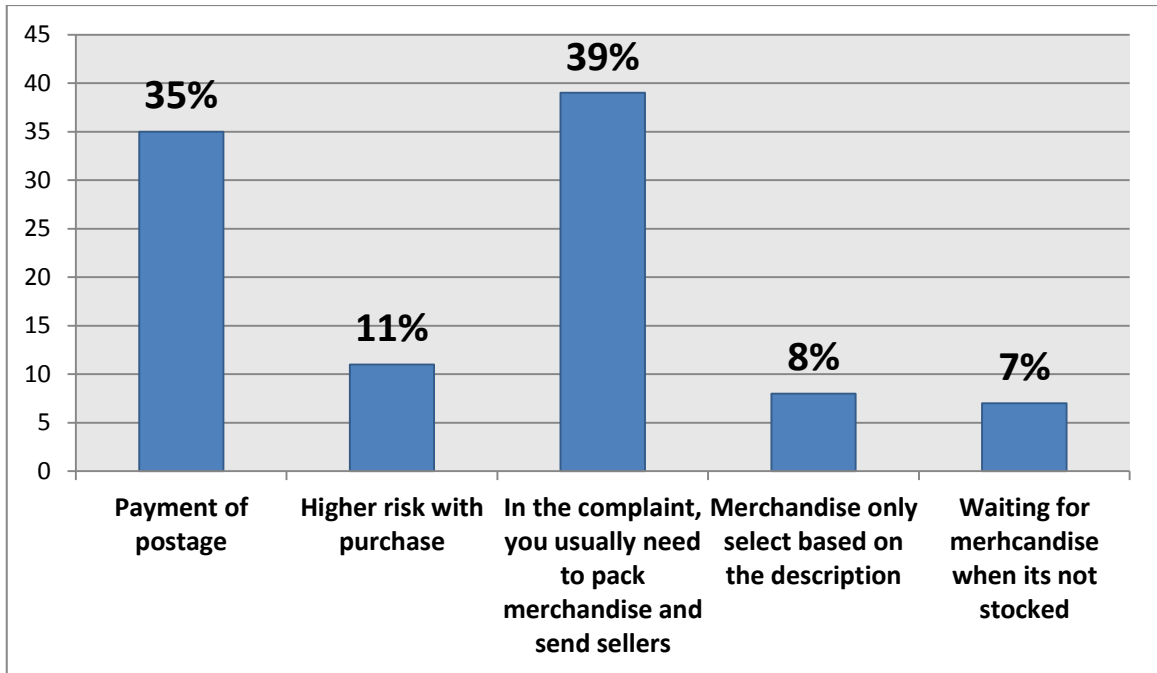
Source: Author

#### **4.2.8.2 Disadvantages of purchasing via e-shops**

As bar chart reports customers mostly disfavour two factors connected with purchase via e-shops and related experiences with such purchases. There are two major disadvantages; payment of postage and problems related with complaints and transport back to e-shop in case merchandise is returned. Moreover, these facts confirm and support above mentioned data about customers' preferences of bonuses and rewards – cheaper transport, and requirements for selection an e-shop – money refund guarantee. Nevertheless, customer usually do not realize that a price of transport increases a total price of purchase but most of e-shops are based on low price strategy (described and explained in sub-sub-subchapter 3.5.1.1 in theoretical part of the bachelor thesis).



**Graph No. 15: Disadvantages of e-shops**



Source: Author

## **5 Results and Discussion**

The researched was conducted on purpose of two main objectives; analysis of preferences, requirements and experiences of customers with via e-shops. Methods of research are based on internet questionnaires. The questionnaires were used to collection of primary data from a specified sample of respondents who were chosen to represent regular customers. The sample includes hundred respondents distinguished by age and gender who successfully answered to set of fifteen closed questions directly related with situation on the Czech e-market.

### **5.1 Requirements and customer preferences**

Analysis of the researched answers aimed to preferences, requirements, and experiences of respondents. The analysis results in the following most important aspects of e-business and examined customer behaviour and preferences on the Czech e-market.

- Analysis of the Czech e-market (to see in the theoretical part in sub-subchapter 3.3.1 and in the practical part in sub-sub-subchapter 4.2.1.2) showed significant distinctions in behaviour of customers according to gender. Due to this fact, situation on the Czech e-market could give rise and provide competitive advantages to e-shop specialised to ranges of merchandise that males find interesting and favourable (car equipment, sport equipment, erotic merchandise, etc.)
- Researched sample of customers revealed that the most preferable method of payments on the Czech e-market is COD. Hence, successful e-shops ought to have COD payment in their selections of payments (to see in the theoretical part sub-subchapter 3.6.3 and in the practical sub-sub-subchapter 4.2.7.1)
- According to data described and analysed in sub-sub-subchapter 4.2.6.3, it seems that modern and successful e-shops should focus on a specific set of bonuses and rewards provided to customers, e-shops are supposed to offer at least two types of bonuses and rewards. The most favourable bonuses and rewards are advantageous prices and cheaper transport of merchandise.
- E-shops start-ups are supposed to analyse main competitors and their advantages from viewpoints of regular customers. In accordance with examined and found

advantages, the e-shops should involve them into decision making process, customer oriented strategy, marketing strategy, recognizing of customer behaviour, needs, and preferences. Several advantages of e-shops, according to my analysis in the practical sub-sub-subchapter 4.2.8.1, are selection of merchandise from comfort at home and transport without worries. In order to attain a phase when e-shops have these advantages, it is essential to sustain two properties – well-arranged catalogue and proper presentation of merchandise (to see in the theoretical part aimed to analysis of two leaders in e-business on the Czech e-market, specifically in sub-subchapter 3.9.2)

- Although all sorts of business have specific disadvantages that are tough to determine, e-shops can easily analysed their potential disadvantages through simple questionnaires on their websites that are provided to customer after closing their purchases in order to enhance quality of customer services as well as the level of customer satisfaction. According the practical sub-sub-subchapter 4.2.8.2, the most crucial disadvantages to avoid are postage payments and issue in complaints of merchandise. The best way how to avoid to these two disadvantages is establishing of possibility to choose receiving merchandise and solving complaints in person in retail stores.

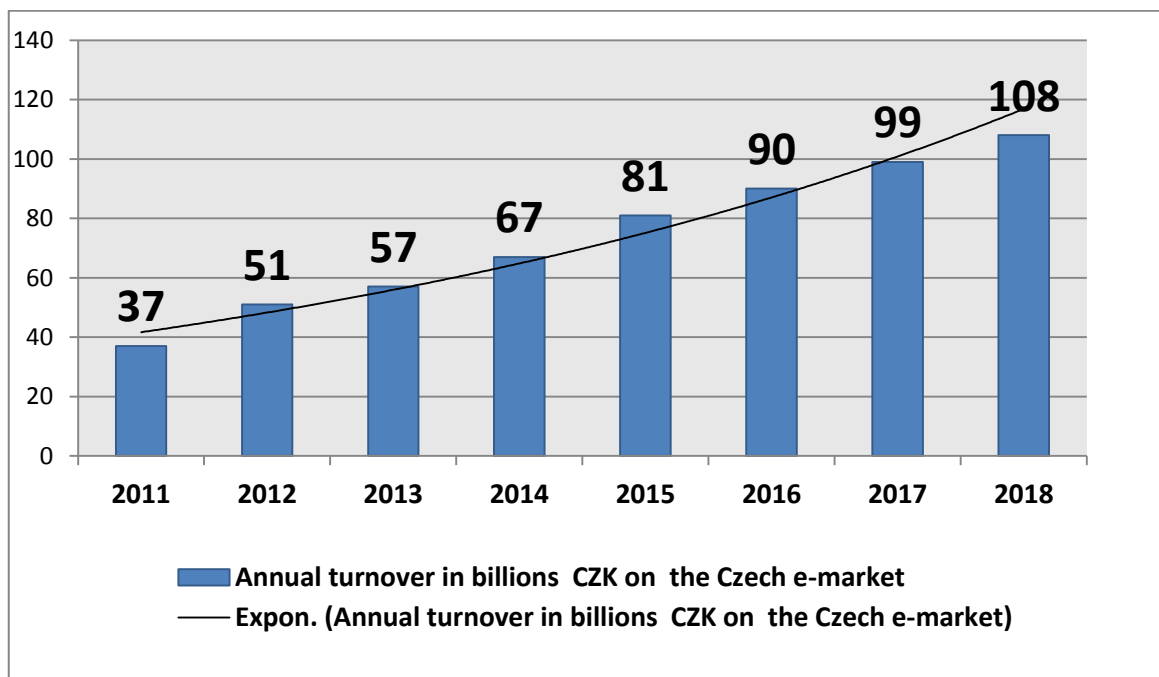
## **5.2 Prognosis e-market in the Czech Republic**

The prognosis is assembled and based on the results of internet questionnaires in subchapter 4.2 and data researched and evaluated in subchapter 3.3. The prognosis is consisted of three parts. The first part determines predicted growth of annual turnovers in e-business on the Czech e-market for next three years. The second part determines a range of merchandise which ought to make sure profitability of e-shops in next three years. The third part describes the best bonuses and rewards that should be provided by e-shops analysis in sub-sub-subchapter 4.2.5.2 aimed to customer preferences.

### 5.2.1 Prognosis of annual turnover in e-business on Czech e-market

In accordance with information in sub-subchapter 3.3.1, it is possible to set a forecast of annual turnovers in e-business on the Czech e-market. Between the years 2011-2015, the annual turnovers have been increasing in average by nine billions CZK. Under the condition of stable and constant growth, the annual turnovers are going to reach an incredible amount of one hundred and eight billions CZK.

**Graph No. 16: Growth of annual turnover**



Source: Author

### 5.2.2 Prognosis of range of merchandise

In this sub-subchapter is identified a range of merchandise that indicates the highest probability to become profitable. The range of merchandise is analysed, described, and explained in sub-sub-subchapter 4.2.5.2, moreover it is compared with Figure No.3 which is in the theoretical part as sub-sub-subchapter 3.3.3. Probably the most successful range of merchandise should be, according to the researched data, electronic and fashion ranges. In last several years it was found that there is enhancement of sold cosmetics and perfumery as well. Furthermore, merchandise narrowed and specialised to more specific merchandise

especially to more for male preferences, e.g.: e-shops specialised to sport and car equipment.

### **5.2.3 Prognosis of bonuses and rewards**

The last part of prognosis covers prediction and analysis of bonuses and rewards which are the most suitable to attract new customers and develop long-lasting relationships with contemporary ones, this is considered to be a crucial factor on the Czech e-market, therefore analysis of loyalty programs and preferences of customer to them was done as well. Bonuses and rewards are described and analysed in sub-sub-subchapter 4.2.6.3. The key factor to success in the e-business branch is to have appropriate bonus and reward system consisted at least of two of them. According to the results of questionnaire, the most preferred bonuses are advantageous price and cheaper transport.

## **5.3 Summary**

Internet is a medium recently used for many various purposes, the bachelor thesis explains its role in business, development and history of the internet in the world as well as in the Czech Republic, and development of e-business. Initially, the theoretical part tackles e-business and other related aspects. It is essential to understand differences between e-business and e-commerce from viewpoint of *recherché* of used literature sources. Moreover, it covers the most important definition of e-business for the Czech e-market by OECD. Next, it explains e-marketing importance in today's global market. Next, the theoretical part is aimed to progression of e-business in the Czech Republic that is used for a prognosis in the practical part, this includes distinctions in annual turnovers, number of e-shops in the Czech Republic. The rest of the theoretical part covers explanation of ranges of merchandise, methods of payment, types of distribution, pricing strategies, and internet advertising. Furthermore, based on analysis of the Czech e-market and research about it and its current and former phases, two leaders in e-business were selected and described. The leaders were selected according to the highest annual turnovers on the Czech e-market. Secondly, the practical part is based on analysis of original online questionnaires answered by hundred respondents which were selected as a sample for regular customer base. The

analysis was initially focused on identifying average respondents. The respondents were subdivided by two factors; according to age category and gender. Analysis of respondents' answers found and pointed out a number of purchases during year, popularity of ranges of merchandise, preferred methods of payments and distribution of merchandise, impact of advertising, and preferences of bonuses and rewards for loyal customers. Moreover, respondents revealed their perception of advantages and disadvantages of purchasing via e-shops. Eventually, the bachelor thesis sums up the most important aspects of e-business and customer behaviour and preferences on the Czech e-market, such as distinctions in preferences regarding to gender, the most preferable method of payment, desired bonuses and rewards, and advantages and disadvantages of e-shops on the Czech e-market. All the researched data and information were compiled into prognosis that is consisted of the major parts; prognosis of annual turnover in e-business on the Czech e-market, prognosis of range of merchandise, and prognosis of bonuses and rewards.

## **6 Conclusion**

E-business has become a fundamental cornerstone in economies all over the world. It is interrelated with almost all branches and business environment has become more and more dependent and influenced by e-business. Numbers of e-shops keep increasing by large numbers as well as annual turnovers on the Czech e-market. Contemporarily, e-business has a high level of competition, thus e-shops try succeed a lot, attract customers and recognize their needs, preferences and wishes, and find a way how to build up a strong position in this branch. It is extraordinarily important to be able to determine and aim to merchandise that is going to be most likely desired by customers in future. Entrepreneurs and e-shops making business on the Czech e-market make a lot mistakes, however this can be prevented by good and thorough market research and analysis. Because of the high level of competition, customers who are not satisfied by purchase via e-shops have many other options to find to their selected range of merchandise to buy. Hence, it is essential to ensure good loyalty program, bonuses and rewards for customers.

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## 8 Appendix

### Appendix No. 1: online questionnaire

1. Select the age category:

- 15-24
- 25-34
- 35-44
- 45-60

2. Select your gender.

- Male
- Female

3. How many times did you use internet for a purchase via e-shops in the last year?

- 2-5 purchases
- 6-10 purchases
- 11-15 purchases
- 16-20 purchases

4. How many times do you plan to use internet for a purchase via e-shops in next year?

- 2-5 purchases
- 6-10 purchases
- 11-15 purchases
- 16-20 purchases

5. Which requirements are the most important when you do online shopping?

- Cheap price of merchandise
- Money refund guarantee
- Clear menu of merchandise
- User reviews
- Adequate information about merchandise
- Availability of stock

6. Did you use cooperative comparison of price of merchandise via website Heureka.cz.

- Yes
- No

7. Which range of merchandise do you mostly prefer?

- Electronics- televisions, notebooks, and other electronic goods
- Electronics - smartphones
- Fashion
- Books and magazines
- Foodstuffs
- Tickets
- Cosmetics and perfumery
- Sport equipment

8. Which range of merchandise you would like to be a more possible to purchase on the internet?

- Electronics- televisions, notebooks, and other electronic goods
- Electronics - smartphones
- Fashion
- Books and magazines
- Foodstuffs
- Tickets
- Cosmetics and perfumery
- Sport equipment

9. Is your opinion afflicted by public relation campaigns?

- Yes
- No

10. Do you use customer's registration for getting customers loyalty bonuses?

- Yes
- No
- Yes , but after experience with e-shops

11. Which kind of bonuses as loyalty customers would you prefer?

- Advantageous price
- Cheaper transport of merchandise
- Extended warranty on merchandise
- Returning the merchandise without question for the month
- Information about sales via SMS and via e-mail
- Instalments (zero interest rate)

12. Which kind of payment method you mostly use?

- COD
- Paypal
- Invoice
- Instalments
- Credit/debit card
- Cash

13. Which kind of distribution of merchandise you mostly use?

- Personal collection
- Express courier
- Czech post
- PPL
- Other

14. Select two greatest advantages of purchase via e-shop.

- Selection of merchandise in the comfort of your home
- Transport home without worry
- Possibility to compare offers with more vendors
- Possibility to return good within 14 days without giving reasons
- The opportunity to find all the technical parameters of the product

15. Select two greatest disadvantages of purchase via e-shop.

- Payment of postage
- Higher risk with purchase
- In the complaint, you usually need to pack merchandise and send sellers
- Merchandise only select based on the description
- Waiting for merchandise when it's not stocked