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FACULTY OF BUSINESS AND MANAGEMENT

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ÚSTAV MANAGEMENTU

DEVELOPMENT OF BUSINESS MODEL OF SMALL COMPANY WITH FOCUS ON E-SHOP

ROZVOJ BUSINESS MODELU MALÉ FIRMY S DŮRAZEM NA E-SHOP

BACHELOR'S THESIS

BAKALÁŘSKÁ PRÁCE

AUTHOR **Štěpán Vala**
AUTOR PRÁCE

SUPERVISOR **doc. Ing. Robert Zich, Ph.D.**
VEDOUCÍ PRÁCE

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Development of Business Model of Small Company with Focus on E–shop

Characteristics of thesis dilemmas:

Introduction
Goals of thesis and methods
Theoretical review of problem
Analysis of contemporary situation
Proposal of solution
Conclusion
References
Appendixes

Objectives which should be achieve:

The main goal of the thesis is a proposal for the development of e–shop as an important channel of business model of existing company. The main goal of theoretical part is to define knowledge framework suitable for the company. The main goal of analytical part is evaluation of the present situation in the context of e–shop development with focus on company behavior, competitors and customers. The main goal of proposal is definition of structure of e–shop and its functional attributes, implementation steps, and evaluation of the proposal – contribution, aspects of realizations.

Basic sources of information:

HITT, M. A., IRELAND, R. D., HOSKISSON, R. E. Strategic Management - Competitiveness and Globalization: Concepts and Cases. 12th ed., South-Western College Pub, 2017. 896 p. ISBN 978-1-305-50214-7.

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Branch supervisor   Dean

ABSTRAKT

Tato bakalářská práce se zaměřuje na sestavení návrhů na zlepšení e-shopu skupiny firem ADW. Návrhy jsou podložené analýzou konkurence, jejich e-shopů a analýzou současného e-shopu. V teoretické části jsou vysvětlené teoretické koncepty pro tento rozvoj. V analytické části je vyhodnocená současná situace e-shopu firem ADW a jsou zde zmíněné oblasti, ve kterých je potřeba provést určité kroky k rozvoji pro dosažení cílů v budoucnosti. V poslední části bakalářské práce je část návrhová, ve které jsou navrženy potřebné kroky k rozvoji potřebných oblastí.

ABSTRACT

This bachelor thesis focuses on making suggestions for improving the e-shop of the ADW group of companies. The proposals are supported by an analysis of competitors, their e-shops and an analysis of the current e-shop. In the theoretical part, the theoretical concepts for this development are explained. In the analytical part, the current situation of the e-shop of ADW companies is evaluated and the areas where some development steps are needed to achieve the goals in the future are mentioned. In the last part of the bachelor thesis, there is a proposal part in which the necessary steps to develop the needed areas are suggested.

KLÍČOVÁ SLOVA

Business model, Business Model Canvas, SWOT, Canvas, E-shop

KEYWORDS

Business model, Business Model Canvas, SWOT, Canvas, E-shop

BIBLIOGRAPHIC CITATIONS

VALA, Štěpán. *Business model development of a small company with the emphasis on e-shop* [online]. Brno, 2023 [cit. 2023-05-07]. Available at: https://www.vutbr.cz/studenti/zav-prace/detail/152295. Bachelor thesis. Brno University of Technology, Faculty of Business and Management, Department of Management. Bachelor thesis supervisor doc. Ing. Robert Zich, Ph.D.

Content

INTRODUCTION

Selling things on the internet has been around for a very long time, but this type of sales boomed during the time of the covid, when people were either afraid or couldn't get into a brick-and-mortar store. Later, pet food and supplement sellers also tried to get into the mainstream of selling their products online. Trying to outdo their competitors in sales, customers gained and extending their brand name as far as possible. In addition to the already mentioned activities, ADW trades in agricultural commodities, offering storage, drying, cleaning and other commodity-related services. They are also involved in their own livestock production under the subsidiary RS Lesonice. Here, cattle are raised for milk and also for meat. The milk is used to produce dairy products, which are then sold in their network of small shops called 'Zdravá Farma'. The FOOD division has also recently joined the ADW group of companies, producing food for the average person. This happened thanks to the recent purchase of the bakery chain "Karlova Pekárna" and their stores can be seen for example often in Brno. One of the other areas that the company is involved in is the fertilizer business and services for their application using special agricultural machines. The company and its branches are located in Moravia, but it operates throughout the Czech Republic. The company also has its own brick-and-mortar stores.

The company is very well known in the B2B market and would like to expand into the B2C area, where it could get directly to the end customer and offer them their products and services. The company has so far only operated on the basis of brick and mortar stores which are either directly owned or contracted. There are total of 50 outlets in total of which the contract ones are largely predominant. Relatively recently, an e-shop has been launched, which is still running on a simple version. The company is trying to be diverse and offer it to the customer in this market. Therefore, it is trying to give emphasis in developing and penetrating deeper into the market of feed mixes and supplements for domestic and farm animals. The long term goal of the retail business which the e-store is a part of is to gain 20% market share in the long run. The current market is very vast with a lot of competition and therefore achieving this goal in this market may not be easy but very realistic in the long run after taking the necessary steps. Improving and in the future

creating a new e-shop is one of the necessary steps to achieve the aforementioned 20% market share. This bachelor's thesis will focus on the e-shop of the already mentioned company and will be devoted to the creation of a proposal for the improvement of the current and in the future the creation of a new and comprehensive e-shop.

PROBLEM DEFINITION, GOALS OF THE THESIS AND METHODS USED

Problem definition

The main reason for this bachelor thesis is to create a basis for the improvement and development of the e-shop of the agricultural company ADW, which wants to match or even surpass its competitors and satisfy the needs of their customers. The company is very well known in the B2B market and would like to expand more into the B2C area, where it could get directly to the end customer and offer them its products and services. The company has so far only operated on the basis of brick and mortar stores which are either directly owned or contracted. Relatively recently, an e-shop has also been launched, which is still running on a simple version. The company is trying to be diverse and offer it to the customer in this market. The long term goal of the retail business which the e-store is a part of is to gain 20% market share in the long run. The current market is very vast with a lot of competition and therefore achieving this goal in this market may not be easy but very realistic in the long run after taking the necessary steps. Improving and in the future creating a new e-shop is one of the necessary steps to achieve the aforementioned 20% market share. In this thesis I will work with an already established e-shop running on a simple version and I will try to provide the company with important background and recommendations for its development in terms of Business Model and Business Model Canvas. This work can help the company in further developing their e-shop and possibly implying changes in practice within the business plan.

Goal of the thesis

The main goal of the thesis is a proposal for the development of an e-shop as an important channel of business model of existing company. The main goal of theoretical part is to define knowledge framework suitable for the company. The main goal of analytical part is evaluation of the present situation in the context of e-shop development with focus on company behaviour, competitors and customers. The main goal of proposal is definition of structure of e-shop and its functional attributes, implementation steps, and evaluation of the proposal – contribution, aspects of realizations.

Partial goals that can help to fulfil the main objective are:

Using theory to define the basis for the analytical part and then develop it into the proposal part. Specifically, it is for explaining and defining the basic concepts in e-business, business plan and business model canvas.

Methods used

In the introductory part of the thesis, I will focus on the theoretical background and definition of basic concepts that will be used in the text. For this purpose I will use both my own knowledge and specialized literature. The following text will focus on the analyses performed, which will be based on the defined objectives. The proposal part will be based on the results of the analyses conducted in the analytical part.

In order to get suggestions for improvement of the e-shop it is important to map the current state of the e-shop and also its competitors. For this I will use mystery shopping, interviews, desk research, and benchmarking. Mystery web shopping in this thesis will consist of visiting the ADW´s e-shop and going through the ordering process. I will later use the findings in the proposal part of my thesis. In the interviews with the e-shop manager, I will use the relevant data to help me in creating analyses as well as solutions for improvement in the proposal part. Desk research will be used to identify relevant competitors, their offerings, and ratings from customers according to available reviews. Benchmarking will be used to compare competitor´s e-shops with ADW's e-shop and the outputs will be evaluated, and relevant information used in making suggestions for e-shop improvement. The more detailed description is in the chapter of comparison of the e-shops benchmarking. I will use SWOT analysis to identify the weaknesses, strengths, opportunities, and threats of the e-shop. Another method to describe the current state of the e-shop that will be used is Business Model Canvas. The Business Model Canvas will be constructed using the information provided by the e-shop manager during the interviews.

Mystery web shopping or mystery shopping is a method used to evaluate the quality of online services of e-shops and companies. It consists of the anonymous purchase of goods

and subsequent evaluation of the customer experience. It is useful in obtaining feedback and input for improving the services or products offered.[1]

The Business Model Canvas is a tool for embodying, describing and analysing the business model of a company. It consists of nine elements which are described in the theoretical part of the thesis. The BMC has the advantage of being easy to update and flexible. [2]

The SWOT analysis is a tool for evaluating internal and external factors that can affect the performance of a firm or in this case an e-shop. The acronym SWOT stands for Strengths, Weaknesses, Opportunities and Threats. Based on this analysis, companies can better understand their environment and develop a strategy for future growth.[3]

The proposal part will include suggestions for improving the e-shop that is created based on the analysis section, information gathered from the interviews and their own knowledge. The main objective is to create a proposal for improving the current e-shop.

[1] BOUČKOVÁ, Jana. *Marketing*. Praha: C.H. Beck, 2003. Beckovy ekonomické učebnice. ISBN 80-7179-577-1.

[2] OSTERWALDER, Alexander a Yves PIGNEUR. *Business model generation*: A handbook for visionaries, game changers, and Challengers. New Jersey: John Wiley & Sons, Inc.,2010. ISBN: 978-0470-87641-1.

[3] SRPOVÁ, Jitka. *Podnikatelský plán a strategie*. Praha: Grada, 2011. Expert (Grada). ISBN 978-80-247-4103-1.

1. THEORETICAL PART OF THE THESIS

This part of the thesis is focused on explaining the problems related to the proposed topic by using professional literature. The focus is mainly on the areas of e-business, business model and business model canvas used for analysis.

1.1 E-commerce

Pascal defines e-commerce as the buying and selling of goods or services conducted over computer networks by methods specifically designed for the purpose of taking or placing orders.[4] Bamansoor adds that it is one of the fastest-growing areas of high-tech development, especially in commerce, and is the latest way for companies and individuals to make profits and meet their demands.[5] E-commerce can be loosely translated as electronic or internet trading. The basis of e-commerce is e-shops or also online stores, which are applications that allow buying and selling on the internet.

The stages of commerce are: selection, purchase and payment. These usually take place without a single contact with the seller. In its early days, e-commerce was probably most heavily promoted by IBM, which often featured it in its advertisements at a time when most people didn't even know what it was.[6] With the gradual development of technology and processes, new terms have started to emerge in the field of e-commerce and the term e-commerce or e-business is beginning to be used to a large extent. As far as terminology is concerned, there are known differences, especially between Europe and America. While in Europe the term e-commerce is more commonly used for e-commerce in a broader sense, in America IBM has introduced the term e-business.[7] E-business can also be clarified by the definition of Gála, Pouro and Toman, which states that

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[4] PASCAL, André. Unpacking E-commerce: Business Models, Trends and Policies. Paris: OECD Publishing, 2019. ISBN 978-92-64-91297-7

[5] Bamansoor, S. et al., 2020. The s-commerce usage and acceptance modelling in Malaysia. UniSZA, Fac Informat & Comp, Kuala Terengganu, Malaysia. Vol. 9, pp. 99-115. ISSN: 2254-6529

[6] SUCHÁNEK, Petr. *E-commerce: elektronické podnikání a koncepce elektronického obchodování*. Praha: Ekopress, 2012. ISBN 978-80-86929-84-2.

[7] CHROMÝ, Jan. *Elektronické podnikání*. Praha: Vysoká škola hotelová v Praze 8, 2007. ISBN 978-80-86578-59-0.

"Electronic business (e-business) is a field of computer science that encompasses the aggregation and support of processes and relationships between business partners, collaborators and end customers carried out through electronic media. These processes and relationships include the electronic exchange of information, products, services and the execution of financial transactions." [8]

1.1.1 E-shop

According to Darsono, the global definition of e-commerce (sometimes also e-shop, online shop or online store) is all forms of business transactions of goods or services conducted electronically. It is a dynamic set of technologies, applications, and business processes that connect companies and consumers through electronic transactions on the Internet, most commonly in the B2B and B2C space. It consists of a catalogue of products that are organized into categories. Important elements of the e-shop are search, filters (if a large number of products are available), terms and conditions, contact details or also a complaints policy. Werthner and Bichler state that the e-shop is essentially an online version of the company brochure and logo, which can bring considerable marketing savings. It is integrated into the company to improve quality, reduce time to market and gain access to new markets.[9]

1.1.2 Definition of the basic relationships between the subjects

Today, there is already a wide range of entities that are part of e-business. For simplicity, they are referred to by the first letter in their English name. In order to understand the basic relationships between the entities, it is important to know their individual meanings, which are set out in the following points:[10]

 B (Business) – Enterprise, companies

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[8] GÁLA, Libor, Jan POUR a Prokop TOMAN. *Podniková informatika: počítačové aplikace v podnikové a mezipodnikové praxi, technologie informačních systémů, řízení a rozvoj podnikové informatiky*. Praha: Grada, 2006, s.129. Management v informační společnosti. ISBN 80-247-1278-4.

[9] WERTHNER, Hannes. and BICHLER, Martin. *Lectures in e-commerce*. Wien : Springer, 2001.

[10] GÁLA, Libor, Jan POUR a Prokop TOMAN. *Podniková informatika: počítačové aplikace v podnikové a mezipodnikové praxi, technologie informačních systémů, řízení a rozvoj podnikové informatiky*. Praha: Grada, 2006. Management v informační společnosti. ISBN 80-247-1278-4.

C (Consumer) – End customer, consumer

E (Employee) – Employee

R (Reseller) – Distributor

G (Goverment) – State administration, state bodies and institutions

1.1.3 The definition of the basic concept of e-commerce

Electronic shops are one of the main tools today, which is a subset of the term e-business. The general focus of e-commerce is divided into the basic two models B2B, B2C and others include C2C, C2B, G2C, C2G, B2G, B2R .[11]

1.1.4 Brief explanation of basic concepts

E-commerce makes substantial use of modern electronic means of communication to carry out business transactions. The basic infrastructure in this sense is the Internet, in particular, its "web part", but other electronic means are often used as well. In order to make the basic concepts easy to understand, they are briefly defined in the following paragraphs. [12]

- e-business - is any activity carried out by a business organisation over computer networks

- e-commerce - is any business transaction conducted over a computer network

- e-marketplace - is a virtual place where various negotiations between suppliers and customers take place

- e-shop - by this term we can imagine a virtual retail store

- e-mall - is a website that displays electronic catalogues from several suppliers

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[11]CHROMÝ, Jan. *Elektronické podnikání*. Praha: Vysoká škola hotelová v Praze 8, 2007. ISBN 978-80-86578-59-0.

[12]GÁLA, Libor, Jan POUR a Prokop TOMAN. *Podniková informatika: počítačové aplikace v podnikové a mezipodnikové praxi, technologie informačních systémů, řízení a rozvoj podnikové informatiky*. Praha: Grada, 2006. Management v informační společnosti. ISBN 80-247-1278-4.

- e-auctions - it is an online auction tool in which participants can respond to the best bid by increasing their bids.

1.1.5 Categories of electronic transactions

E-commerce is always occupied with the purchase or sale of goods and services and includes various components of marketing activities, mainly advertising. On each side there are most often three basic entities (business, consumers and government), and very rarely is an additional entity added. Abbreviations from the English language are also used to indicate .[13]

B2C (Business-to-Consumer)

Is the sale of goods or services to end customers or consumers, which can be individuals or organisations. In fact, it can be compared to a classic "brick and mortar" store that is operated on the Internet. However, an online shop has countless advantages over a brick-and-mortar shop. The main breakthrough is that we know the name of each customer, including their address, which is a great advantage in tailoring the offer and marketing in an individual approach to each customer. Another key benefit is that we have the ability to help customers with their decision-making by providing them with the information they need about the product. Last but not least, the advantage of opening hours is worth mentioning - the online shop is open 24 hours a day and never closes. [14] This form of an online shop is probably the most common so far. There are opportunities here for small and medium-sized trading companies that can use e-commerce as a complement to traditional trading. This is aided by companies that operate and offer servers that make it easy to build e-commerce stores.[15]

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[13]SUCHÁNEK, Petr. *E-commerce: elektronické podnikání a koncepce elektronického obchodování*. 1. vyd. Praha: Ekopress, 2012. ISBN 978-80-86929-84-2.

[14] CHROMÝ, Jan. *Elektronické podnikání*. Praha: Vysoká škola hotelová v Praze 8, 2007. ISBN 978-80-86578-59-0.

[15] KOTLER, Philip. *Moderní marketing: 4. evropské vydání*. Praha: Grada, 2007. ISBN 97880-247-1545-2.

B2B (Business to Business)

Is one of the basic forms of commerce on the Internet. The English name implies that it is a trade between companies, manufacturers or traders. Commercial and marketing activities are carried out between these entities for the purpose of the resale or processing of goods. In most cases, it is a partnership relationship that has predetermined commercial conditions under which purchases will be made. B2B e-commerce is more similar to conventional administrative applications. It is displayed via a conventional WWW site, but the basis remains marketing and logistics. [16] Since the mid-1990s, electronic marketplaces have emerged around the world as an integral part of B2B trading. They provide electronic communication and trading between a large number of companies. This system connects both suppliers and buyers to each other through one central point, which is the e-marketplace. The actual interconnection is implemented via the Internet and so there is no need to build relatively expensive and functionally limited interconnections between businesses. [17] The following types of e-commerce are not so widely used and therefore only their basic characteristics are given here.

C2C Abbreviation C2C or customer to customer

Říhová states that it is the sale of goods by a customer to a customer, both of these entities fall on the consumer side. We see this relationship most often on online bazaars (bazos.cz, Facebook Marketplace, Sbazar.cz) or on the eBay.com platform, which is designed for this kind of relationship [18]

C2B (Consumer-to-Business)

This is again about selling goods and services to end consumers, but the initiative comes from the consumer, with the specific demand being placed somewhere on the Internet. This is then met (if the producer is able and willing), either by the producer itself or by these requests being passed on to it by an intermediary server which acts as an aggregator

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[16] KOTLER, Philip. *Moderní marketing: 4. evropské vydání*. Praha: Grada, 2007. ISBN 97880-247-1545-2.

[17] SUCHÁNEK, Petr. *E-commerce: elektronické podnikání a koncepce elektronického obchodování*. 1. vyd. Praha: Ekopress, 2012. ISBN 978-80-86929-84-2.

[18] Říhová, Ivana. et al., 2019. *Practice-based segmentation: taxonomy of C2C co-creation practice segments*. International Journal of Contemporary Hospitality Management, Vol. 31 No. 9, pp. 3799-3818. https://doi.org/10.1108/IJCHM-01-2018-0096

of these requests.[19] In everyday life we can encounter this form of e-commerce when buying airline tickets.

G2C and C2G (Government-to-Consumer, Consumer-to-Goverment)

Mainly involve the purchase of certain goods or more often services by a citizen from the state, respectively payments by a citizen to the state, e.g. various taxes." [20]

B2G (Business to Government)

This is the relationship between a company and government authorities (such as tax authorities, social and health insurance companies, etc.). The communication between these entities does not serve the business activity directly but is a very important superstructure. [21]

B2R (Business-to-Reseller)

Means selling through a distributor. [22]

1.1.6 Advantages and disadvantages of e-commerce

E-commerce brings many advantages to both buyers and sellers. A big advantage for customers is that they do not have to spend time driving through the city, standing in traffic, looking for a place to park and searching and browsing products among endless shelves. This shopping is done from the comfort of their own home, in privacy, where it is more pleasant for them, where they do not have to deal with an annoying salesperson and shop under emotional pressure. Customers can browse catalogues sent by email, browse websites, and compare prices of goods to find the best deals. [23]

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[19] SEDLÁČEK, Jiří. *E-komerce, internetový a mobil marketing od A do Z*. Praha: BEN - technická literatura, 2006, s.98. ISBN 80-7300-195-0.

[20] SEDLÁČEK, Jiří. *E-komerce, internetový a mobil marketing od A do Z*. Praha: BEN - technická literatura, 2006, s.98. ISBN 80-7300-195-0.

[21] Elektronické podnikání: informace, komunikace, příležitosti

Chromý Jan

[22] KOTLER, Philip. *Moderní marketing*: 4. evropské vydání. Praha: Grada, 2007. ISBN 97880-247-1545-2.

[23] JANOUCH, Viktor. *Internetový marketing*. 2. vyd. V Brně: Computer Press, 2014. ISBN 978-80-251-4311-7.

On the other hand, the disadvantage is created by customers' distrust of the online shop itself. They remain concerned about the quality and delivery of goods and, above all, about the protection of personal data when paying by card online. They also lack the opportunity to physically see or try out the goods when shopping online. Another disadvantage may be the relatively volatile prices, which are constantly changing due to high competition. These may be the reasons why some customers still do not succumb to the charm of e-shopping and prefer to go to a brick-and-mortar store where they can 'feel' the goods, try them out and take them home themselves.

The advantage for retailers is certainly that the Internet is an excellent tool for building relationships with customers. [24]

"The mutually unambiguous interaction makes it a particularly powerful marketing tool. Companies can communicate with customers online to find out more about their specific needs and requirements. With today's technology, an online marketer can select a small group or individual, personalize an offer to their specific needs and requirements, and then promote it through individualized messages. Online customers, in turn, can ask questions and provide feedback. Based on this ongoing interaction, companies can improve their products and services, thereby increasing their value to the customer and consumer satisfaction."[25]

The Internet has other advantages, such as lower costs, higher speed and efficiency. Internet retailers do not have to spend money on running stores, paying rent, insurance, etc. In addition, electronic communication is significantly cheaper than paper. A company can prepare electronic catalogues at a much lower cost than if it had them printed and sent to all customers. Electronic catalogues also allow the company to edit and correct the offer without any problems, without having to send a new catalogue in the case of a paper catalogue. The online catalogue can thus be updated every day, even every hour, and can thus be more efficiently responded to changes in market conditions.[26]

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[24] KOTLER, Philip. *Moderní marketing: 4. evropské vydání*. Praha: Grada, 2007. ISBN 97880-247-1545-2.

[25] KOTLER, Philip. *Moderní marketing: 4. evropské vydání*. Praha: Grada, 2007, s.182. ISBN 97880-247-1545-2.

[26] CHROMÝ, J., *Elektronické podnikání,* PRAHA: VYSOKÁ ŠKOLA HOTELOVÁ V PRAZE 8, 2007. ISBN 978-80-86578-59-0.

Even an advantage can become a disadvantage, which comes from the fast transfer of information on the Internet. This is because it can lead to the spread of alarmist messages that can greatly damage a company's reputation and this leads to a loss of customer confidence. Another risk is associated with the dispatch of goods as the customer may not take delivery of the goods or may not exist at all. Data security on the Internet is one of the other disadvantages, there is a possibility of hacking into the system to obtain internal information. Trading on the Internet also assumes that not all potential customers are computer literate to the level required to do so. [27]

1.1.7 The criteria of evaluation of an e-shop

Usability

This term describes how simple it is to use a website, including the user interface, navigation, and overall user experience. An intuitive and simple-to-use website has strong usability.[28]

Accessibility

Indicates the ability of the website to be accessed by users with disabilities, including those with visual, auditory, and motor impairments. A website with good accessibility ensures that all users can access its content and functionality.[29]

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[27] KOTLER, Philip. *Moderní marketing*: 4. evropské vydání. Praha: Grada, 2007. ISBN 97880-247-1545-2.

[28] OČENÁŠEK, Vladimír, MASNER, Jan, VANĚK, Jiří, ŠILEROVÁ, Edita and PAVLÍK, Jan, 2017. *Evaluation of Farmer's E-shops*. Online. 2017. Retrieved from: https://2022.haicta.gr/past-conferences.html

[29] OČENÁŠEK, Vladimír, MASNER, Jan, VANĚK, Jiří, ŠILEROVÁ, Edita and PAVLÍK, Jan, 2017. *Evaluation of Farmer's E-shops*. Online. 2017. Retrieved from: https://2022.haicta.gr/past-conferences.html

Content quality

Refers to the relevance, accuracy, and completeness of the content on the website. A website with high-quality content provides valuable information to its users and helps build trust and credibility.[30]

Design and layout

It is the visual appearance and organization of the website. A website with good design and layout is visually appealing and easy to understand.[31]

Security

Speaks of the steps taken by the website to safeguard user information and block unauthorized access. A website with good security ensures that user information is protected and builds trust with its users.[32]

Performance

This means the speed and reliability of the website. A website with good performance loads quickly and functions reliably.[33]

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[30] OČENÁŠEK, Vladimír, MASNER, Jan, VANĚK, Jiří, ŠILEROVÁ, Edita and PAVLÍK, Jan, 2017. *Evaluation of Farmer's E-shops*. Online. 2017. Retrieved from: https://2022.haicta.gr/past-conferences.html

[31] OČENÁŠEK, Vladimír, MASNER, Jan, VANĚK, Jiří, ŠILEROVÁ, Edita and PAVLÍK, Jan, 2017. *Evaluation of Farmer's E-shops*. Online. 2017. Retrieved from: https://2022.haicta.gr/past-conferences.html

[32] OČENÁŠEK, Vladimír, MASNER, Jan, VANĚK, Jiří, ŠILEROVÁ, Edita and PAVLÍK, Jan, 2017. *Evaluation of Farmer's E-shops*. Online. 2017. Retrieved from: https://2022.haicta.gr/past-conferences.html

[33] OČENÁŠEK, Vladimír, MASNER, Jan, VANĚK, Jiří, ŠILEROVÁ, Edita and PAVLÍK, Jan, 2017. *Evaluation of Farmer's E-shops*. Online. 2017. Retrieved from: https://2022.haicta.gr/past-conferences.html

Mobile optimization

Relates to a website's usability and accessibility on mobile devices. A website with good mobile optimization ensures that users can access and use its content and functionality on a mobile device.[34]

Search engine optimization

Refers to the strategies and techniques used to improve the visibility of the website in search engine results. A website with good search engine optimization appears higher in search results and attracts more traffic.[35]

Social media integration

Relates to how social media sites like Facebook, Twitter, and Instagram are integrated into the website. A website with good social media integration allows users to share its content and promotes engagement and interaction with its audience.[36]

Customer service

Refers to the level of support and assistance provided to users of the website. A website with good customer service responds promptly and effectively to user inquiries and builds trust and loyalty with its users.[37]

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[34] OČENÁŠEK, Vladimír, MASNER, Jan, VANĚK, Jiří, ŠILEROVÁ, Edita and PAVLÍK, Jan, 2017. *Evaluation of Farmer's E-shops*. Online. 2017. Retrieved from: https://2022.haicta.gr/past-conferences.html

[35] OČENÁŠEK, Vladimír, MASNER, Jan, VANĚK, Jiří, ŠILEROVÁ, Edita and PAVLÍK, Jan, 2017. *Evaluation of Farmer's E-shops*. Online. 2017. Retrieved from: https://2022.haicta.gr/past-conferences.html

[36] OČENÁŠEK, Vladimír, MASNER, Jan, VANĚK, Jiří, ŠILEROVÁ, Edita and PAVLÍK, Jan, 2017. *Evaluation of Farmer's E-shops*. Online. 2017. Retrieved from: https://2022.haicta.gr/past-conferences.html

[37] OČENÁŠEK, Vladimír, MASNER, Jan, VANĚK, Jiří, ŠILEROVÁ, Edita and PAVLÍK, Jan, 2017. *Evaluation of Farmer's E-shops*. Online. 2017. Retrieved from: https://2022.haicta.gr/past-conferences.html

1.2. Internet Marketing

Marketing is an organisation's activity and set of processes for creating, communicating, delivering, and changing offerings that deliver value to customers, partners and society as a whole. This somewhat complicated definition mentions delivering value, other definitions mention delivering customer needs and wants." Simply put, marketing is supposed to deliver value to customers, but also to the company the profit that comes from satisfied users of their products. To meet this, a company must provide quality products at an affordable price, at the right time, in the right place, and in the right way. This is the basis of the 4P marketing mix concept, which was developed by E. Jerome McCarthy.

The concept includes the following components: **product, price, place, and promotion**.[38]

A product is something that brings value to the customer. This value can be expressed in many variables, such as the benefit of using the product, saving time compared to competitors or time to obtain the product, feeling good, wish fulfilment, and brand equity. Price expresses the cost of obtaining the product. This price includes the cost of the product itself as well as the cost of shipping, packaging and time lost. [39]

Distribution includes everything that is needed for the customer to receive their goods. In the case of intangible products (video, music, games), an Internet connection is all that is needed to get the goods paid for, while in the case of tangible products, issues such as transport, point of sale or convenience of purchase are addressed. [40]

Communication "*is the process by which a message gets from the source to the receiver. For people to buy something, they need to know about the existence of the product, be familiar with its function and purpose, be convinced of its benefits, etc. On the other hand,*

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[38]KOTLER, Philip a Gary ARMSTRONG. *Marketing*. Praha: Grada, c2004. ISBN 80-247-0513-3.

[39] JANOUCH, Viktor. *Internetový marketing*. 2. vyd. V Brně: Computer Press, 2014. ISBN 978-80-251-4311-7.

[40]KOTLER, Philip a Gary ARMSTRONG. *Marketing*. Praha: Grada, c2004. ISBN 80-247-0513-3.

the supplier needs information about what people want, their wishes and their preferences. So both sides need to communicate with each other." [41]

1.2.1. The characteristics of internet marketing

Internet marketing is a way of achieving desired marketing objectives via the Internet and, like marketing, involves a range of activities related to influencing, persuading and maintaining customer relationships. [42]

Marketing today means a personal approach, taking care of each customer individually and the possibility of individualising a given service or product. Moreover, it must be comprehensive, because if activities are carried out individually, they lose their meaning. This comprehensive approach is technically referred to in the literature as holistic marketing (it has several components - relationship, integrated, internal and socially responsible marketing). Internet marketing can be considered a continuous activity, as conditions change almost continuously. [43]

New technological possibilities have caused companies to look for other ways to reach customers. This has led to a broadening of the ways of marketing communication and has put customers in a completely different position. Internet marketing is therefore characterised in relation to them. The importance of marketing on the Internet is stated in the following points: Conversation means communication between people about anything, completely uninhibited and with great speed. The Internet invites conversation, so companies have no choice but to adapt if they want to survive. [44]

Strengthening the customer's position means that the customer's position is getting stronger, and every user can find a solution to their problem not only on social media but also by simply searching in search engines or browsing discussion forums. The

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[41] JANOUCH, Viktor. *Internetový marketing*. 2. vyd. V Brně: Computer Press, 2014, s.17. ISBN 978-80-251-4311-7.

[42] JANOUCH, Viktor. *333 tipů a triků pro internetový marketing: [sbírka nejužitečnějších informací, postupů a technik].* Brno: Computer Press, 2011. ISBN 978-80-251-3402-3.

[43] JANOUCH, Viktor. *Internetový marketing*. 2. vyd. V Brně: Computer Press, 2014. ISBN 978-80-251-4311-7.

[44] JANOUCH, Viktor. *333 tipů a triků pro internetový marketing: [sbírka nejužitečnějších informací, postupů a technik]*. Brno: Computer Press, 2011. ISBN 978-80-251-3402-3.

connection between people can be so strong that it can very quickly destroy a company or, on the contrary, put it among the most important ones. The online market knows no respect for companies that are unwilling and unable to adapt. The role of the human being is really important here. Co-participation is the involvement of customers in the process of product development or customization. This is the only way a company can ensure customer loyalty and its future profits. [45]

1.2.2. Marketing communication

Marketing communication is an important part of the 4P marketing mix. The literal translation is promotion, but this term is very misleading for the reason that it does not capture the essence of marketing communication. Marketing communication does not focus only on promotion or advertising but captures the actual communication between two entities. To communicate is to convey a message and the recipient's response thus creating a two-way communication.[46]

"Presenting a product to a customer, even a very high quality one, and relying on them to simply buy it is not enough. A quality product is a condition for success, but not enough. Customers need to be communicated with, and especially those selling services are not satisfied with expertise alone." [47]

Generally speaking, if you don't deal with customers in the right way, there is no chance of success.

Communication plays a key role in the marketing mix, as it is through communication that firms communicate with their target markets, where communication takes place between all actors in the value network: producer-distributor, distributor-retailer, producer-retailer, retailer-customer, etc. [48]

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[45] JANOUCH, Viktor. *Internetový marketing*. 2. vyd. V Brně: Computer Press, 2014. ISBN 978-80-251-4311-7.

[46] KOTLER, Philip. *Moderní marketing: 4. evropské vydání*. Praha: Grada, 2007. ISBN 97880-247-1545-2.

[47] JANOUCH, Viktor. *Internetový marketing*. 2. vyd. V Brně: Computer Press, 2014, s.57. ISBN 978-80-251-4311-7.

[48] JANOUCH, Viktor. *333 tipů a triků pro internetový marketing: [sbírka nejužitečnějších informací, postupů a technik]*. Brno: Computer Press, 2011. ISBN 978-80-251-3402-3.

The objectives of marketing communication are to inform, persuade and remind customers of products. At the same time, relationships with customers are created and strengthened, as they are one of the most important things for companies. Despite the fact that a customer may buy a product once or twice in a lifetime, it is important to maintain a positive relationship with that customer because of the positive effect it can have on its surroundings and thus influence many other potential customers. [49]

As written above, one of the main tasks of marketing communication is to inform or convey a message. This can be defined as a set of information that goes through an information channel from the source to the receiver. Through the message, companies try to fulfil the objectives of marketing communication, such as to attract attention, induce action, persuade or create relationships. The transmission of the message takes place on the path between the source and the receiver, but on the path, the message itself, or so-called noise, is altered. Noise can be described as a distortion of information, confusion of the receiver, and misunderstanding of the content. [50]

The message consists of what the subject has created, what the object has understood and noise. The effectiveness of the message created by the firm gradually decreases as people lose trust in what firms communicate. There is a lot of information and it is often misleading or even untrue. As people filter and remember less and less information, creating an effective message becomes increasingly difficult. Communication on the Internet is, for the most part, a conversation, and this must be taken into account when creating messages. That's why the huge success of the original price comparison sites today is that customers can find users' opinions on product quality, experiences and all sorts of advice, recommendations and comments. The same is true on social media. [51]

The planning of the communication in which the various messages will be created and delivered must be done with the customers in mind. If they do not yet know anything about the product, the message will create awareness of the product. Conversely, if the

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[49] SEDLÁČEK, Jiří. *E-komerce, internetový a mobil marketing od A do Z*. Praha: BEN - technická literatura, 2006. ISBN 80-7300-195-0.

[50] JANOUCH, Viktor. *Internetový marketing*. 2. vyd. V Brně: Computer Press, 2014. ISBN 978-80-251-4311-7.

[51] JANOUCH, Viktor. *333 tipů a triků pro internetový marketing: [sbírka nejužitečnějších informací, postupů a technik]*. Brno: Computer Press, 2011. ISBN 978-80-251-3402-3.

product is already well known, the aim is to get the customer to buy it - to take action. Customer perception therefore goes through a process and this is well captured by the ACCA response model, which is as follows: [52]

- **Awareness**

- **Comprehension**

- **Conviction**

- **Actinon**

1.2.3. Customer segmentation

Customers can be different, they can be existing customers, customers of competitors or people who have not yet bought a product. When analysing customers, their requirements, needs, wants, preferences are identified. This analysis is intended to reveal why they buy a given product, whether they differentiate between buying from different competitors and why, or whether they are mainly concerned with price, whether changing the product would also change their buying preferences or what additional services would make the product more attractive. [53]

"Customer identification involves identifying the characteristics of both existing and potential customers. Some characteristics may be common to a wider range of customers, while others will distinguish very narrow groups." [54]

1.2.4. Ways of marketing communication

Marketing communication on the Internet is part of the communication mix of the whole company. At the same time, it is important to separate offline and online marketing because for some time many companies have thought that the Internet is a separate tool

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[52] JANOUCH, Viktor. *Internetový marketing*. 2. vyd. V Brně: Computer Press, 2014. ISBN 978-80-251-4311-7.

[53] JANOUCH, Viktor. *333 tipů a triků pro internetový marketing: [sbírka nejužitečnějších informací, postupů a technik]*. Brno: Computer Press, 2011. ISBN 978-80-251-3402-3.

[54] JANOUCH, Viktor. *Internetový marketing*. 2. vyd. V Brně: Computer Press, 2014, s.63. ISBN 978-80-251-4311-7.

and nothing else is needed. However, this is not true and for a long time, we can see, for example, various advertisements for online shops on television. [55]

Methods of marketing communication on the Internet can be divided as follows:

- **Advertising** (display advertising, catalogue listings, priority listings, PPC advertising)

- **Sales promotion** (purchase incentives, affiliate programs, loyalty programs),

- **Public Relations** (news and reports, articles, discussions, information, questionnaires, forms)

- **Direct marketing** (e-mailing, webinars, conferences, workshops, online chat)

This breakdown is important in terms of defining the message concept and it should be taken into account that multiple means of communication can be used for different forms of marketing communication and vice versa. Thus, there is an intermingling of different forms.

1.3. Business model

1.3.1. Definition of a business model

The basic point should be an explanation of what the business model actually is.

According to my research, I have found that there is no single opinion or definition on this topic and therefore each author interprets it in his own way.

A business model is an abstract representation of what value a business provides to generate revenue and is a field of knowledge that has recently increased in popularity amongst academics and business managers. [56]

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[55]MIKULÁŠKOVÁ, Petra a Mirek SEDLÁK. *Jak vytvořit úspěšný a výdělečný internetový obchod*. Brno: Computer Press, 2015. ISBN 978-80-251-4383-4.

[56] CARTER, Michelle and CARTER, Chris. *The Creative Business Model Canvas*. *Social Enterprise Journal* [online]. 9 March 2020. [Accessed 27 December 2022]. Available from: https://www.emerald.com/insight/content/doi/10.1108/SEJ-03-2019-0018/full/html#sec31

As defined by the authors of the book, a business model represents the fundamental principle of how a company creates, transmits and captures value. It serves as a tool for aspiring and established entrepreneurs alike, as it captures the basic building blocks that underpin the functioning of a given company. It, therefore, helps them to better understand and interpret the important factors and resources that a company must work with to achieve its goals. As a result, the business model can be used to plan, evaluate and decide on strategies. [57]

According to Lawrence Bossidy, CEO of General Electric and author of five major books on business, and his colleague Rama Charan, a business model can be defined as a process of living thinking, thinking that is based on reality in the specifics of the business and its mechanisms. [58]

This bachelor's thesis is written based on the methodology, ideas and definitions of Alexander Osterwalder and Yves Pigneur, who together developed the ontology of the business model and its visual designs. The authors look at the business model in terms of its objectives and in particular emphasize that the business model is used to describe the basic principles for the establishment, development, and successful operation of a business. Among other things, this book also beautifully describes the revolutionary business model created by Apple in the likes of iTunes or the online store for the iOS operating system, where users could purchase music, audiobooks, etc. Nowadays, this platform has been surpassed by streaming services such as Spotify, and this just shows how important innovation is nowadays and how fast technology is moving forward.

1.3.2.   Business model canvas

One of the most popular business modelling tools is Osterwalder and Pigneur's business model canvas (BMC), which provides a generic framework and set of guiding principles for developing and redeveloping a business model. Used in conjunction with other business innovation tools, such as the Sibbett's context canvas and the value proposition

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[57] OSTERWALDER, Alexander a Yves PIGNEUR. *Business model generation*: A handbook for visionaries, game changers, and Challengers. New Jersey: John Wiley & Sons, Inc.,2010. ISBN: 978-0470-87641-1.

[58] BOSSIDY, Larry, CHARAN, Ram and BURCK, Charles. *Confronting reality: Doing what matters to get things right*. NJ, New York : Crown Business, 2004, ISBN: 978-1400050840.

canvas. The generic nature of the BMC enables its deployment across a wide range of markets and its one-page visual approach to business modelling makes it accessible to a wide range of people. However, it does require some business knowledge to effectively apply the BMC to a specific market. [59]
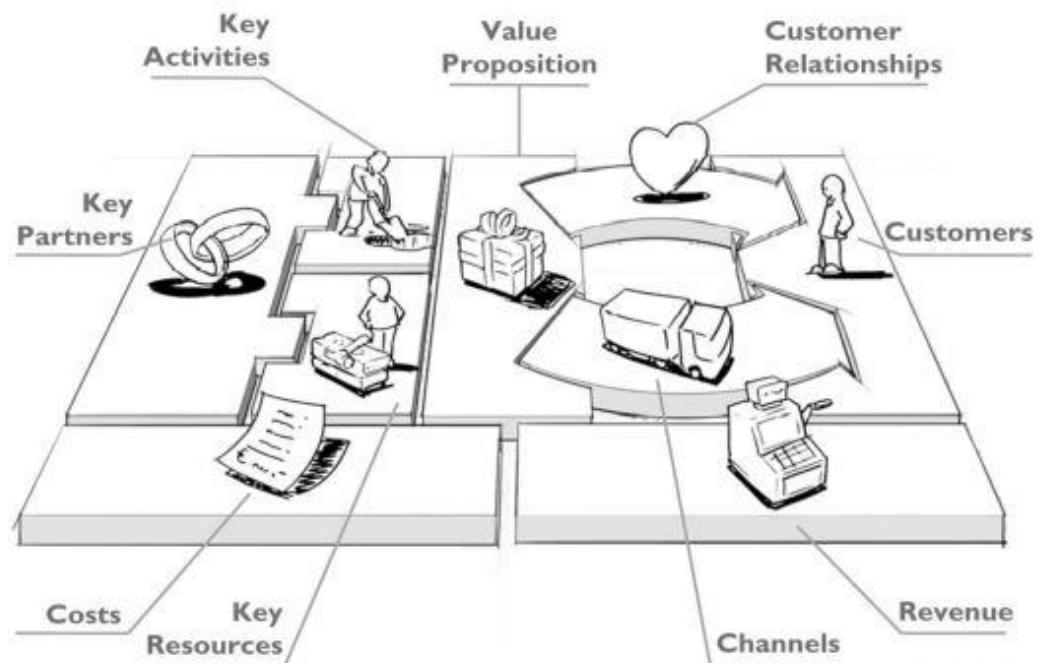

Figure 1:Business model Canvas[60]

Osterwalder and Pigneur describe a business model using nine building blocks that make it easy to see the logic of how a company creates value. These building blocks can be divided into four main areas: customers, supply, infrastructure and financial viability. These nine building blocks are then namely: customer segments, value propositions, channels, customer relationships, revenue sources, key resources, key activities, key partnerships and cost structure. In Figure 1 we can see a diagram of the Canvas model, to better understand its structure and the relationships between the elements. [61]

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[59] CARTER, Michelle and CARTER, Chris. The Creative Business Model Canvas. *Social Enterprise Journal* [online], 2023. [cit. 2023-02-15]. Available from:
https://www.emerald.com/insight/content/doi/10.1108/SEJ-03-2019-0018/full/html#sec31

[60] OSTERWALDER, Alexander a Yves PIGNEUR. *Business model generation: A handbook for visionaries, game changers, and Challengers.* New Jersey: John Wiley & Sons, Inc.,2010. ISBN: 978-0470-87641-1.

[61] OSTERWALDER, Alexander a Yves PIGNEUR. *Business model generation: A handbook for visionaries, game changers, and Challengers.* New Jersey: John Wiley & Sons, Inc.,2010. ISBN: 978-0470-87641-1.

I will first focus on the four main areas and their building blocks according to the BMC of the above-mentioned authors and theirs, which I will later elaborate in more detail. [62]

Infrastructure

Infrastructure describes how and through what we produce added value for the customer, which is also the basis of business processes. Infrastructure includes key activities, key resources and key partnerships. [63]

Key resources

Key resources are the most important assets for the operation of a company. Different businesses need different key resources to create and present their value proposition, penetrate markets, maintain relationships with customer segments and generate revenue. This can be, for example, production facilities or human resources. They can take physical, human, financial or intellectual forms. The company does not even have to own them directly, but can instead rent them. [64]

Key activities

Core activities are the most important activities that a company must engage into function. As with key resources, key activities are essential for creating and presenting a value proposition, penetrating markets, and maintaining relationships with customer segments and generating revenue and will also vary significantly depending on the business area. These may include software development, manufacturing, supply chain management, or client problem-solving. [65]

Key partnerships

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[62] OSTERWALDER, Alexander a Yves PIGNEUR. *Business model generation: A handbook for visionaries, game changers, and Challengers.* New Jersey: John Wiley & Sons, Inc.,2010. ISBN: 978-0470-87641-1.

[63] OSTERWALDER, Alexander a Yves PIGNEUR. *Business model generation: A handbook for visionaries, game changers, and Challengers.* New Jersey: John Wiley & Sons, Inc.,2010. ISBN: 978-0470-87641-1.

[64]OSTERWALDER, Alexander a Yves PIGNEUR. *Business model generation: A handbook for visionaries, game changers, and Challengers.* New Jersey: John Wiley & Sons, Inc.,2010. ISBN: 978-0470-87641-1.

[65] OSTERWALDER, Alexander a Yves PIGNEUR. *Business model generation: A handbook for visionaries, game changers, and Challengers.* New Jersey: John Wiley & Sons, Inc.,2010. ISBN: 978-0470-87641-1.

Key partnerships represent the established network of suppliers and partners that a company needs to operate. Few companies can do everything on their own and completely do without partnerships with other businesses. That's why they usually establish various partnerships right from the start to optimize their business model, reduce risk, or gain access to important resources. Company partnerships can take many forms and reasons, but they can be broadly classified into four basic types: [66]

- Strategic partnerships between non-competing entities

- Strategic partnerships between competing entities

- Joint ventures to create new business projects

- Buyer-supplier relationships to ensure reliable supply

The offer represents all the products and services that the business offers or provides to its customers. Here the question is answered: What do we offer our customers? The products and services we offer also form our brand and advantage over our competitors in the market for products and services. The value proposition must satisfy customer needs and preferences through its novelty, performance, customization, flexibility, design, brand, pricing, and ability to reduce costs and risks, through availability and usability. [67]

Value propositions

Value propositions represent a combination of products and services that create value for a given customer segment, solve a problem or satisfy a need. Together, these products and services form a set of benefits offered that make customers prefer the company over others. They must be tailored to each chosen customer segment to best meet their needs and capabilities. The values of products and services can be divided into quantitative (e.g.

[66] OSTERWALDER, Alexander a Yves PIGNEUR. *Business model generation: A handbook for visionaries, game changers, and Challengers*. New Jersey: John Wiley & Sons, Inc.,2010. ISBN: 978-0470-87641-1.

[67] OSTERWALDER, Alexander a Yves PIGNEUR. *Tvorba business modelů: příručka pro vizionáře, inovátory a všechny, co se nebojí výzev*. 2. vydání. Přeložil Radek BLAHETA. V Brně: BizBooks, 2015. ISBN 978-80-265-0425-2.

price, speed of service) and qualitative (e.g. design, customer satisfaction). Other popular elements that influence the overall customer impression are, for example, novelty, performance, product customisation or availability. [68]

Customers

Our customers are almost the most important block in creating the business model canvas. This block includes the following elements: customer segments; building customer relationships; channels of communication and distribution. Here we ask the questions: who are our products and services for? What does our potential customer look like and think? How and through what do we communicate with our clients? [69]

Customer segments

Customers serve as the foundation of every business model since they are essential to its success. Without them, no business can run properly. Therefore, it is obviously crucial for businesses to understand who, or what categories, their customers are, and what sets them apart. However, because it is typically outside the purview of businesses to speak with each and every consumer personally, they group customers into so-called segments, which are distinguished by a set of shared traits or needs. Depending on the type of product, different levels of client detail and level of segmentation are required. Since all subsequent decisions will be based on the needs of the selected target segment, the business must be able to identify which client groups it may focus on and how large of a section it should exclude. [70]

Relations with customers

Customer relationships can take many forms. They can be divided according to the form and degree of interaction between the company's representation and the customer. They can be personal or automated. One-on-one, but also collectively through online

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[68] OSTERWALDER, Alexander a Yves PIGNEUR. *Business model generation: A handbook for visionaries, game changers, and Challengers*. New Jersey: John Wiley & Sons, Inc.,2010. ISBN: 978-0470-87641-1.

[69] OSTERWALDER, Alexander a Yves PIGNEUR. *Business model generation: A handbook for visionaries, game changers, and Challengers*. New Jersey: John Wiley & Sons, Inc.,2010. ISBN: 978-0470-87641-1.

[70] OSTERWALDER, Alexander a Yves PIGNEUR. *Business model generation: A handbook for visionaries, game changers, and Challengers*. New Jersey: John Wiley & Sons, Inc.,2010. ISBN: 978-0470-87641-1.

communities. Again, the firm must correctly gauge what relationships each customer segment expects or will be able to appreciate, and how costly they are.[71]

Channels

Channels are the ways in which a company communicates, distributes and sells its value proposition. Through them, the company presents its products, raises awareness among customers and provides them with support, offers and sells specific products and services. Finding the optimal channel mix is crucial in bringing a value proposition to the market. In choosing the right communication channels, companies must take into account the preferences of their customer segments and determine which channels are most cost-effective for them. [72]

Finance

Finance represents the cash flow required to run a business. This block shows both the cost structure and the sources of income. [73]

Sources of revenue

Revenue sources represent the ways in which a company generates cash from customers. Firms must find what each customer segment is willing to pay for.

Revenue sources are then divided into two types: [74]

   - transaction income from one-off payments, for example for the sale of assets.

   - Recurring revenue from ongoing payments, such as subscriptions, but also payments for after-sales customer support.

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[71] OSTERWALDER, Alexander a Yves PIGNEUR. *Business model generation: A handbook for visionaries, game changers, and Challengers*. New Jersey: John Wiley & Sons, Inc.,2010. ISBN: 978-0470-87641-1.

[72] OSTERWALDER, Alexander a Yves PIGNEUR. *Business model generation: A handbook for visionaries, game changers, and Challengers*. New Jersey: John Wiley & Sons, Inc.,2010. ISBN: 978-0470-87641-1.

[73] OSTERWALDER, Alexander a Yves PIGNEUR. *Business model generation: A handbook for visionaries, game changers, and Challengers*. New Jersey: John Wiley & Sons, Inc.,2010. ISBN: 978-0470-87641-1.

[74] OSTERWALDER, Alexander a Yves PIGNEUR. *Business model generation: A handbook for visionaries, game changers, and Challengers*. New Jersey: John Wiley & Sons, Inc.,2010. ISBN: 978-0470-87641-1.

There are also several ways to generate income. The aforementioned sale of assets, fees for using a particular service, subscription fees, fees for lending or renting an asset, fees for licensing the use of copyrighted property, brokerage fees, or advertising fees. All these methods rely on different pricing mechanisms, which are divided into fixed and dynamic.[75]

Cost structure

The cost structure is the final building block of the Canvas concept and represents, as the name suggests, all costs associated with the operation of the business model. These are the most important costs on which the creation and presentation of the value proposition, maintaining relationships with customer segments and generating revenue depend. To quantify them, a company must first clearly define its key resources, activities and partnerships. Having visibility into costs is absolutely critical for any business, some have even built their entire business model on managing and minimizing them. [76]

The Business Model Canvas

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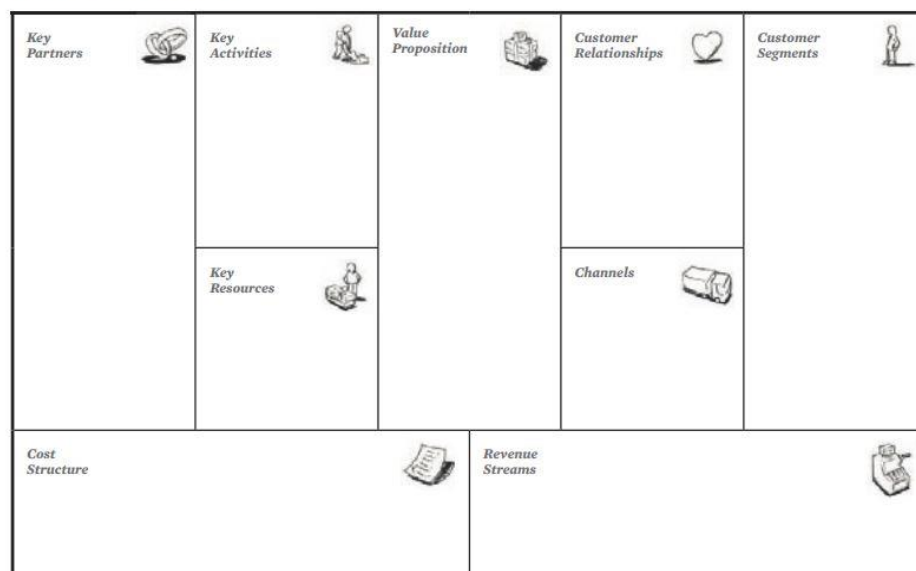
[75]OSTERWALDER, Alexander a Yves PIGNEUR. *Business model generation: A handbook for visionaries, game changers, and Challengers*. New Jersey: John Wiley & Sons, Inc.,2010. ISBN: 978-0470-87641-1.

[76] OSTERWALDER, Alexander a Yves PIGNEUR. *Business model generation: A handbook for visionaries, game changers, and Challengers*. New Jersey: John Wiley & Sons, Inc.,2010. ISBN: 978-0470-87641-1.

Figure 2: Business model Canvas[77]

1.4. Value Proposition Canvas

The Argument for Value Canvas is a tool for creating goods and services that consumers are interested in purchasing. Its goal is to clearly convey the value that a business claims to offer to its clients. An examination of consumer demands, a comparison of the products offered by other companies, and a determination of the firm's advantages are the first steps in developing a value proposition. The business then chooses a target client segment and creates a list of features that best suit that segment's demands. The capacity of the business to surpass rivals in meeting consumer wants is the foundation for developing an ideal service. A value offer must be created with vision, passion, and the flexibility to respond to shifting client demands and technological developments. A tactical tool for creating appealing goods and services that people will want to buy is the value proposition canvas. Its primary objective is to respond to two fundamental inquiries: Who is the target client and Why should they purchase the good or service? The Value Proposition Canvas, which is frequently used in conjunction with the Business Model Canvas, is illustrated below along with an explanation of each part.[78]

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[77] OSTERWALDER, Alexander a Yves PIGNEUR. *Tvorba business modelů: příručka pro vizionáře, inovátory a všechny, co se nebojí výzev*. 2. vydání. Přeložil Radek BLAHETA. V Brně: BizBooks, 2015. ISBN 978-80-265-0425-2.

[78] OSTERWALDER, Alexander, Yves PIGNEUR, Gregory BERNARDA a Alan SMITH. Value proposition design: how to create products and services customers want. Hoboken: John Wiley, 2014, Strategyzer series. ISBN 9781118968055.
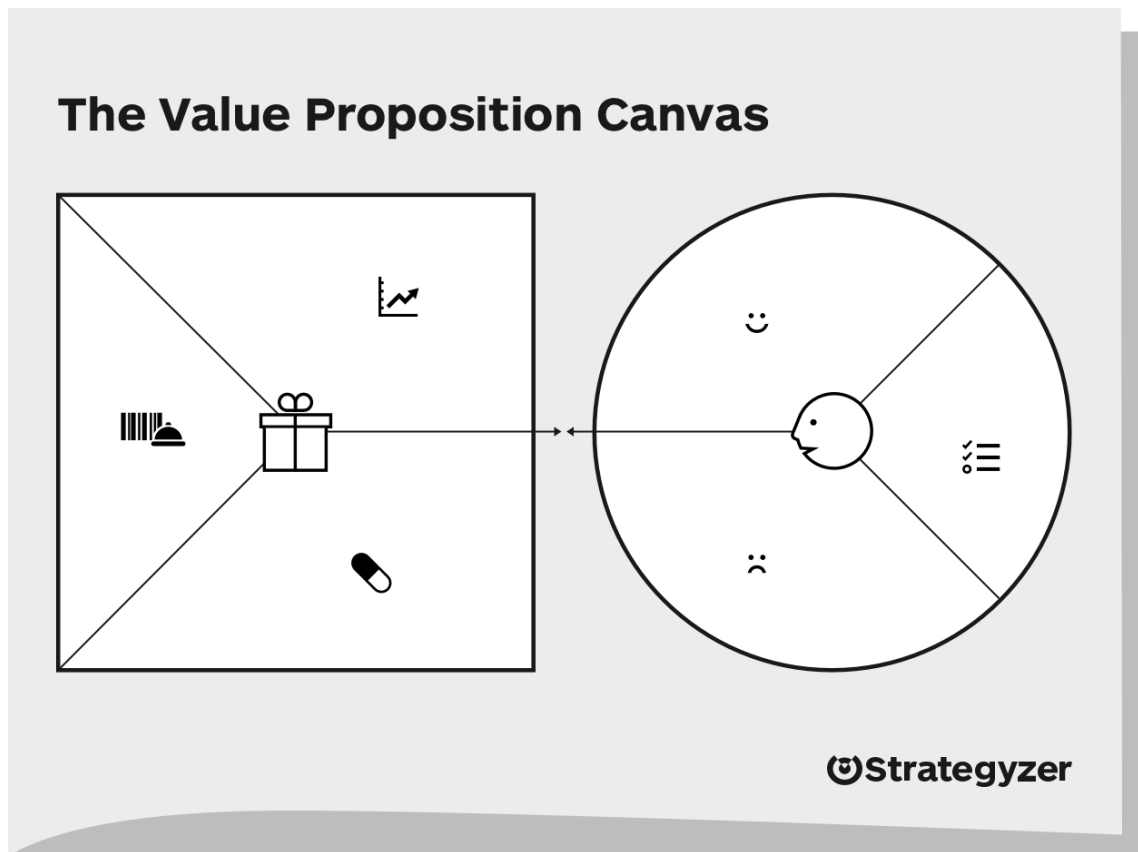
Figure 3: Value Proposition Canvas[79]

Customer Profile

A customer profile, also known as a segment profile or persona, provides information on a particular market sector and acts as a roadmap for finding the perfect client. Osterwalder further breaks down the customer profile as follows:

- Jobs - the term describes the individual tasks, problems, or needs that the customer is trying to solve in both their professional and personal lives.

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[79] STRATEGYZER, *Value Proposition Canvas,* [online], Třebíč, 2023 [cit. 2023-02-15]. Retrieved from: https://www.strategyzer.com/canvas/value-proposition-canvas

- Pains - the term defines concerns or difficulties that customers have before, during, but or even prevent the customer from completing his or her jobs
- Gains - the term expresses the customer's desires or benefits that the customer himself expects or that will surprise him[80]

Value map

A value map outlines specific product characteristics or functionalities that the firm hopes will help it realize its value proposition and, as a result, meet consumer demands.[81]

Osterwalder divides the value map as follows:

- Products and services - this is a listing of all the products and services that a company offers to its customers in order to satisfy their needs
- Problem Solvers - describes exactly how the product or service alleviates the customer's specific pains
- Profit Generators - describe how the product or service generates the customer's gains[82]

1.5. SWOT analysis

The SWOT analysis method allows the identification of the strengths and weaknesses of the company's activities in relation to opportunities and threats. Strengths and weaknesses focus on the internal factors of the organisation, while opportunities and threats are external factors. This tool helps to identify problem areas and discover new opportunities for development. SWOT analysis is a key part of a company's strategic management because it is clear and simple. Strategic elements should focus on minimizing weaknesses and responding flexibly to opportunities and leveraging the firm's strengths.[83]

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[80] OSTERWALDER, Alexander, Yves PIGNEUR, Gregory BERNARDA a Alan SMITH. *Value proposition design: how to create products and services customers want*. Hoboken: John Wiley, 2014, s. 12-16, Strategyzer series. ISBN 9781118968055.

[81] OSTERWALDER, Alexander, Yves PIGNEUR, Gregory BERNARDA a Alan SMITH. *Value proposition design: how to create products and services customers want*. Hoboken: John Wiley, 2014, Strategyzer series. ISBN 9781118968055.

[82] OSTERWALDER, Alexander, Yves PIGNEUR, Gregory BERNARDA a Alan SMITH. *Value proposition design: how to create products and services customers want*. Hoboken: John Wiley, 2014, s. 29-33, Strategyzer series. ISBN 9781118968055.

[83] KEŘKOVSKÝ, Miloslav a Oldřich VYKYPĚL. *Strategické řízení: teorie pro praxi*. 2. vyd. Praha: C.H. Beck, 2006. C.H. Beck pro praxi. ISBN 8071794538.

These components are all combined in the SWOT analysis matrix:

- S - Strength

- W - Weaknesses

- O - Opportunities

- T - Threats[84]

SWOT analysis allows us to identify problematic and critical areas and find ways for further development. This method is a key part of the strategic management of the company due to its clarity and simplicity. The strategic elements should be focused on minimizing weaknesses, responding flexibly to opportunities and leveraging the firm's strengths. [85]

SWOT analysis can also be used as a tool for retrospective analysis of the development of a given entity. If SWOT analyses are regularly conducted for the same entity over a longer time horizon, it can be evaluated whether the number of weaknesses and threats is increasing or decreasing, which can provide information on the negative or positive development of the company. [86]

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[84] KEŘKOVSKÝ, Miloslav a Oldřich VYKYPĚL. *Strategické řízení: teorie pro praxi*. 2. vyd. Praha: C.H. Beck, 2006. C.H. Beck pro praxi. ISBN 8071794538.

[85] KEŘKOVSKÝ, Miloslav a Oldřich VYKYPĚL. *Strategické řízení: teorie pro praxi*. 2. vyd. Praha: C.H. Beck, 2006. C.H. Beck pro praxi. ISBN 8071794538.

[86] KEŘKOVSKÝ, Miloslav a Oldřich VYKYPĚL. *Strategické řízení: teorie pro praxi*. 2. vyd. Praha: C.H. Beck, 2006. C.H. Beck pro praxi. ISBN 8071794538.

SWOT ANALYSIS

Figure 4:The SWOT matrix[87]

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[87] WIKIPEDIA, SWOT analysis matrix[online], Třebíč, 2023 [cit. 2023-02-15]. Available at:
https://en.wikipedia.org/wiki/SWOT_analysis

1.6. Summary of the theoretical part

In the theoretical part I described what is e-commerce in general and how it works, explained the basic concepts of the relationship between entities like B2B, B2C etc. The basic description of an e-shop has been also added so the reader can understand further corelations with those terms in the analytical part. To that is connected the criteria used for evaluation of the e-shop. Simple explanation of internet marketing, customer segmentation, marketing communication is also included so the reader has a complex source of information needed for understanding upcoming analytical part. Next, I presented a simple description of the business model by Osterwalder and Pigneur and then I also focused on their concept of the business model canvas, which will subsequently appear in the analytical part and is crucial that the reader is familiar with the terms used. Lastly the author described the theory behind the SWOT analysis.

2. ANALYTICAL PART OF THE THESIS

2.1 Introduction to the ADW company

ADW is a purely Czech agricultural holding. The headquarters of the ADW Group is located in the Krahulov resort. The areas in which ADW operates are very diverse and ADW started as a producer of biofuels for cars and trucks around 1994 and continued with production until 2004. The areas in which ADW operates are very diverse and ADW started as a producer of biofuels for cars and trucks around 1994 and continued with production until 2004. The structure of the holding consists of individual companies that carry out interrelated agricultural, production and commercial activities. The divisions are: ADW AGRO, ADW FEED, ADW FARM, ADW FOOD, RS Lesonice. They are engaged in agricultural primary production. They develop new methods and use technology to achieve high efficiency in crop and livestock production, using natural processes and with a minimum of chemicals. They are also involved in traditional agricultural primary production. The production of feed is based on simple and traditional natural processes.[88]

ADW FEED is one of the divisions and has been manufacturing compound feed for 23 years and is one of the best companies in this division. In the past, it has brought many innovations such as new flake technology from the USA. The aim of using their feeds is to improve the economy and health in livestock production. A nutrition and plant protection management system that honours the rules of good agricultural practice. They buy cereals, oilseeds, pulses, and poppy. They provide all related services such as transportation, quality control, cleaning, and storage. They also have their own production line for their flakes and compound feed. They are one of the best feed manufacturers on the Czech market. Focused on B2B and B2C market they are offering a realistic price for top quality products which comes with granted performance. Natural feeds are made without unnecessary chemicals which is a big plus for the Czech breeder who wants to have healthy and happy animals. Next up is **ADW AGRO** which is focused on trading, storage commodities, services in the field of nutrition and plant protection with high-tech

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[88] ADW, *O Nás ADW*, [online], Třebíč,2023, [cit. 2023-02-15]. Available at: https://www.adw.cz/o-nas/

application technology, laboratory analysis of plant products, feed materials and other. **ADW FARM** is mainly focused on agricultural production, trade and services. **RS Lesonice** is a division where they grow crops, breed cattle, especially dairy cattle but also cattle just for meat, make dairy products and then sell them in their stores called "Zdravá Farma".[89]

2.2. Current business model canvas of the e-shop

The current business model canvas was conducted thanks to an interview with Mrs. Celinská, who is the head of the retail store and also is in charge of the e-shop.

2.2.1. Key partners

Suppliers of complementary goods

In the current situation, there are about three main suppliers of complementary goods that ADW does not produce itself. These products may include, for example, chicken feeders, horse halters or dog leashes.[90]

Vostál Logistics

One of the other key partners is Vostál Logistics, a company hired exclusively by ADW to deliver their products.[91]

Online platform provider

The current e-commerce platform provider also takes care of its maintenance, its design and its overall functionality. [92]

[89] ADW, *O Nás ADW*, [online], Třebíč, 2023, [cit. 2023-02-15]. Available at: https://www.adw.cz/o-nas/
[90] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023
[91] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023
[92] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

Provider of the internal system Helios

Without the Helios system it would be impossible to operate in the company. It is a system that connects trade, logistics, e-shop, production, and other parts of the company.[93]

2.2.2. Key activities

Customer relationships

The e-shop tries to establish as friendly a relationship with the customer as possible. Through telephone advice, mailing about the order and other ways.[94]

Product listing

Adding an accurate description with pictures of new products or updating the current ones. [95]

Regular analysis and reports

The sales analysis is done on the e-shop every month, the analysis of visits is done once a quarter or during an important meeting and is done via google analytics.[96]

Evaluating revenue streams

This activity is done every month and a report is created for each month.[97]

Order management

Having a product produced, packaged and shipped on time is related to this point. Also, having payments processed, claims resolved as quickly as possible, or resolution of cancelled orders.[98]

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[93] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023
[94] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023
[95] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023
[96] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023
[97] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023
[98] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

Customer service

Helping with product selection or answering questions that the customer might have is done through phone or e-mails. The customer will get an immediate response in working hours.[99]

Website maintenance and rent of the domain

The company pays for the domain from the company that backs it up, updates it to newer versions and takes care of the overall smooth running of the site.[100]

Marketing and promotions

Advertising is done thru the Google Adds app. Marketing in form of social media is done thru the Facebook page of ADW where people are encouraged to buy products on the e-shop website. The problem is that the sum spent on advertising and promotions is much smaller than the competitors and thus there is big lack of reaching the target audience. With the future investment possible there is a potential to reach a larger audience which would lead to bigger turnover, profits and inflow of customers. [101]

2.2.3. Key resources

Getting customer feedback

Customers can give feedback through the phone or e-mail.[102]

The employees of the e-shop

The employees who take care of the orders, listing products on the website, warehouse employees etc.[103]

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[99] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023
[100] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023
[101] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023
[102] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023
[103] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

Having the products in stock

Having a product in stock at all times or restocking it as quickly as possible is a very important factor for any shop, whether online or physical.[104]

2.2.4. Value proposition

For the value proposition the author decided to use Value Proposition Canvas. To learn more about the theory about the Value Proposition Canvas the reader can head to the theoretical part of the thesis precisely to the chapter Value Proposition Canvas where he will learn the basics about the canvas and its usage. All the information used are from interviews with Mrs. Celinská and from the desk research conducted by the author.

Value Proposition Canvas

<u>**Customer profile**</u>

Jobs

- The customer´s desire to increase health or profitability of his animals
- Buying high quality compound feeds
- Get professional advice about using the products and which one to choose for his specific needs
- Get customized feeds for a specific animal

Pains

- Not being able to find high quality compound feeds with minimal added chemicals for an affordable price
- Dealing with lack of guidance on the product selection and their usage
- Dealing with expensive and sometimes unreliable delivery services

Gains

- High quality compound feeds for an affordable price with minimal chemicals added
- Reliable and hassle-free delivery

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[104] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

- Guaranteed results from using the product
- Locally made product
- Getting free advice for the product selection and usage of the product
- Saving costs on delivery fees when buying bundles of products

Value map

Products and services

- High quality compound feeds for an affordable price with minimal added chemicals
- Exclusive delivery though private delivery company
- Having an e-commerce platform for selling the products
- Free advisory program ran by experts in animal nutrition
- Reaching the customer thru Google and Facebook advertising

Pain relievers

- Providing high quality compound feeds with minimal added chemical for an affordable price
- Having an exclusive delivery service that is reliable and hassle free
- Offering guaranteed results from using the products
- Locally made product
- Free advisory program for the customer
- Bundles of items that help the customer save money

Gain creators

- Providing affordable compound feeds with great quality and minimum added chemicals
- Healthy and prosperous animals from using the offered products
- Hassle free delivery and storage and mostly free delivery when ordering compound feeds

High-quality compound feeds for a great price

The products are made with the lowest possible use of chemicals. The compound feeds are also very high quality and are offered for a very good price which is appealing to the

customers. The products were properly tested and thus they can offer the customer guaranteed results when using a specific compound feed.[105]

Reliable and hassle-free delivery straight to the customer

A big advantage thanks to having their own source of transport to the final customer. The customer then can order a high volume of products and not have to worry about many different delivery dates and shipping costs. The driver will also help the customer with unloading the product for free which is not really common these days and can be a slight advantage against the competition. The customer will also know exactly what day and time the order will arrive because of constant communication between the e-shop and the customer.[106]

Accomplishing promised results

As mentioned before ADW prides itself on its promises and thanks to the long development processes and testing of the feeds they are able to guarantee the results the customer requires.[107]

Locally made product

Customers prefer products that are domestically or locally produced. When deciding between a domestic and a foreign product, they usually opt for a domestic product. Most of the time the domestic or local product is higher quality and much better fit for the same or lower price.[108]

Bundles of products

The e-shop tries to make it easier for customers not having to buy products from various online stores and at the same time save money on shipping. So, if the customer is looking for garden tools, for example, he can also buy cat food, chicken food or supplements for the nutrition of home-grown crops. [109]

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[105] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023
[106] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023
[107] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023
[108] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023
[109] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

Advisory programs

The advisory program is free of charge even for non-buyers. Advice is given to the customer by phone or e-mail. Due to this warm approach to customers, many of them often return. The program is ran by experts in animal nutrition so the customer is in good hands.[110]

2.2.5. Customer relationships

Friendly, warm and long-term lasting relationship

They are trying to meet the customer needs not just for the sake of sales but for actually caring about the customer, helping him in whatever situation related to the product he might be in and even give free advice as mentioned before. [111]

All of this can be leading to long lasting customer relationships and a lot of returning customers. The only thing to increase the possibility in gaining a long-lasting relationship with the customer is implementing some better ways to gain his feedback. This problematic is taken into account in the proposal part.[112]

E-mail information about orders

The emailing about orders is to provide the customer with enough relevant information that he would need. The customer will get a conformation e-mail, approximate shipping date which will confirm in the following days and the day before he will get notified that the next day is the delivery date. The courier will also reach out in the day of the delivery and inform the customer that he is on the way. These days this whole process is employee operated but the goal for the future is to automate this process, which will make the employees' jobs easier and can leverage their workload for other necessary operations. [113]

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[110] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

[111] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

[112] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

[113] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

2.2.6. Channels

Facebook page

People are reached by the Facebook page where they are encouraged to visit the e-shop.[114]

Exhibitions and fairs

In-person attending exhibitions and fairs is also a way the customers and new potential are reached. [115]

Salesmen

Face to face sales is also a part of reaching the customers these days and the customer is advised to shop at the e-shop[116]

Marketing

Currently the least developed channel which should be the leading one to reach the customers in the future. Current campaigns are done through Google ads and the customer can be also reached through the website of ADW. [117]

2.2.7. Customer segments

B2C

The e-shop is focused on the final customer.

2.2.8. Revenue streams

Quality products with promised results

The customer is willing to pay for a great quality product with guaranteed results.[118]

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[114] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

[115] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

[116] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

[117] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

[118] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

Preferred paying method

The e-shop offers many payment methods but the favourite and most used on is payment by invoice. The other payment methods are by cash on delivery, bank transfers or through payment gateway.[119]

2.2.9. Cost structure

The business is value driven which means it is more focused on value creation. We can see the cost structure of the e-shop in detail in the following graph that has been provided by Mrs. Celinská. All the costs in the following table are calculated for one year except for the delivery service since the way of calculation of that cost is different and each item on the cost list is better explained (if needed) in the following text of the cost structure chapter.

Table 1: The cost structure of ADW´s e-shop[120]

Name of the cost	Fixed / Variable	Price
Rent of the e-shop platform	Fixed	20 000 CZK
Operator of the e-shop	Fixed	350 000 CZK
Expeditor	Fixed	400 000 CZK
Rent of a warehouse	Fixed	320 000 CZK
Rent of a forklift	Fixed	84 000 CZK
Delivery service	Fixed	2057 CZK / Ton
E-shop manager	Fixed	660 000 CZK
Accountant	Variable	60 000 CZK
Marketing campaigns	Variable	100 000 CZK

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[119] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

[120] Source: Own work based on information from interviews with the e-shop´s manager, 2023

Consumer goods	Variable	120 000 CZK
Notebooks, phone bills, internet	Fixed	74 000 CZK

Fixed costs

- Rent of the e-shop platform – the contract is set up for one year from the provider shoptet.cz
- Rent of a warehouse – the contract is set up for one year and is located in Krahulov
- Rent of a forklift – the gas-powered forklift is rented for a duration of one year and operates in the warehouse
- Delivery service – the delivery company charges 2057 CZK / ton, so it is impossible to calculate the exact number of costs for the delivery service
- Notebooks, phone bills, internet
- E-shop manager – communicates with customers, manages the employees of the e-shop, decides on the pricing list updates or changes, etc.
- Expeditor – this person specializes on logistics and order processes, also communicates with the customers if any problems with the orders occur
- Operator of the e-shop – a person who is listing products, manages orders, etc.

Variable costs

- Marketing campaigns – the marketing campaigns ran through Facebook and Google Ads are set up for a duration of one year
- Accountant – hired externally, also is accountable for handling the pay checks of the e-shop´s employees
- Consumer goods – in this category falls the gas for the forklift, printing papers, electricity, etc.

2.2.10. Summary assessment of the business model canvas

Overall, the e-shop business model canvas is pretty well done. What we can see from it is that the e-shop is wanting to establish long lasting relationship with the customer, which

is one of its strengths. Other strong points are for example that the e-shop has a reliable delivering service which ensures the products get there on time. Such as they have good relationship with their suppliers of goods and products that are not made by ADW. But there are also areas that need improvement and those I will take into account in the proposal part. Those areas are mainly marketing and promotion, the payment gates that still need to be set up and automatization of the information sent to the customer about the order, which is now manually done, and I will get more into in the chapter of mystery shopping.

2.3. Summary of an interview with the manager of the ADW´s e-shop

In this part the author will mention valuable information from the many interviews with the manager of the ADW´s e-shop Mrs. Celinská.

When asked about the **compound feeds** manufactured and its composition, I was informed that the big advantage of the ADW´s e-shop is that the customer can buy the compound feeds straight from the manufacturer. Since ADW FEED is a division which the e-shop falls under and the company manufactures the compound feeds in this division the customer can get it fast, easily and without any extra added margin. When speaking about the compound feeds the whole process is done at one place and all the components are manufactured and added at the same place only by the company. Other competitors can make some part themselves but almost none of them make all the necessary ingredients for the compound feed mix. The compound feeds produced by ADW FEED are made with the least possible amount of chemicals and preservatives. This makes the compound feeds organic and easy to digest for the animals.[121]

When asked about the **target group** or the target customer profile she told me that the age ranges from 25 to 65 year-old customers that have animals at home and usually more than one kind. The largest number of buyers are people who own horses or are some ways involved in horse breeding or riding. After that they are mainly people who have domestic and farm animals such as pigs, rabbits, cats, dogs, chickens etc...[122]

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[121] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023
[122] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

The **linking of the e-shop with the internet server Heureka.cz** is the goal of the manager in the near future and mainly for the new e-shop. By linking this platform to the e-shop customers can give ratings on the products and it will show the products of the e-shop in the Heureka´s server which would lead into gaining more new customers and possibly a higher number of returning customers. [123]

The **current state of marketing and social media** is a big problem, and it gives a big disadvantage against the competition that has the social sites well done and attracts more customers thanks to that. The weak marketing can be also identified as a threat for the e-shop in terms of market share, brand awareness and gaining new customers.[124]

The question related to that was my idea of **collaborating with influencers** to raise awareness of the brand and to reach new potential customers and not only the one targeted now. I needed to know if the manager thought it would work and if this is something the company might be in trying out. This idea was welcomed with big support from the manager, and she insisted that I implement the idea in the proposal.[125]

The **plan to expand from the Czech market** and to offer the products in the foreign market is also a plan that might get more serious overtime. This will be possible after expanding the product line, by closing new contracts with the delivery companies and so on. This plan is not the priority but after the establishment of the new e-shop it might become more relevant as the manager plans to gain some feedback on it from the owners.[126]

Customer loyalty programs was also one of the questions asked and the manager was happy that I came up with an idea like this. She approved the idea and told me she was also thinking about trying to implement this in the future. This would lead to returning customers and would strengthen the bond between the customer and the seller. The idea of the manager was to give a onetime 10 % discount to the regular coming back customers and I also implemented the idea of giving some kind of smaller discount around 5% off the first order for the new customer who will sign up with their e-mail for the newsletter. Newsletter and its creation was a follow up question and I got to know that the newsletter

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[123] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

[124] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

[125] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

[126] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

isn´t established but the manager liked the idea and suggested to open this topic in the proposal part.[127]

Order management was also one of my questions and the order process is described more in depth in the chapter of mystery shopping. The main point was that the ordering process and the following steps aren´t automated which surprised me a little. The employees or the e-shop manager have to manually confirm the order and then following actions like informing the customer about the order process and the delivery time is also all manually done.[128]

Payment gates like **Apple pay and Google pay** were also part of my questions. The use of these payment gates or methods makes the life of customers that make purchase thru their mobile phones much easier since you can pay by few clicks on the screen and not having to fill in our all the billing information and your banking details with each order.[129]

2.4. Summary of an interview with a marketing expert for ADW

Thus, part is a summary of an interview with Mrs. Jana Michalcová talking about possible opportunities and threats for the e-shop.

The negative brand image or negative publicity is a threat for the e-shop in a way that customers will have trust issues for future purchases, or they will switch to the competition. This happened not that long ago when some false rumours happened about the quality of the compound feed. The accusation was false and possibly the person was paid off by somebody. The situation has been since sorted out and this action hasn´t caused any harm to the brand or e-shop but actions like this could cause trouble.[130]

When talking about another threat we stumbled across **the threat of companies specialised on retail sales and B2C segment**. The competition has a big advantage since ADW is mainly focused on B2B market. [131]

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[127] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

[128] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

[129] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

[130] MICHALCOVÁ, Jana, marketing expert [oral communication], Krahulov, 20. 3.2023

[131] MICHALCOVÁ, Jana, marketing expert [oral communication], Krahulov, 20. 3.2023

The competition battle on social media and dragging over customers. The battle for customers is a constant battle which will never end. Competing for the customers attention on social media and feeding him relevant information should be improved in the future because looking at it now the company and its social medias are still waiting for some larger development. In this case the competition has far bigger advantage and can drag over customers from ADW.[132]

Larger marketing budget of the competition. The budget for marketing including marketing through social media has much smaller budget than the competitors have. This connects to the previous question about the battle for customers. The competition is using this to their advantage and the company is not gaining that many customers as it could.[133]

Legislation restricting animal breeding. In the autumn of 2022, the cage breeding of hens was restricted, with farmers failing to react from one day to the next and suffering major losses. This leads to a decline in demand for feed, which implies that the e-shop will lose sales again if it loses customers or demand decreases. For this argument, I was also referred to the Facebook page of the Agrarian Chamber of the Czech Republic, where problematic topics such as this are addressed. [134]

Government protectionism - allowing the importation of cheap products such as eggs, meat and other from abroad and not supporting domestic farming and breeding has an impact on breeders and farmers and therefore logically there is again pressure and decrease in demand for feed and supplements which would lead to a reduction in e-commerce sales. When this threat is combined with the threat of breeding restrictions in legislation, the effects can be fatal.[135]

Recession leading to decrease in customer spending is by Mrs. Michalcová one of the biggest threats possible for the e-shop. Her claim is based on 25 years of experience in the market and countless feedback from customers, which has further strengthened her claim. The combination of this and the other two previous threats would again have a

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[132] MICHALCOVÁ, Jana, marketing expert [oral communication], Krahulov, 20. 3.2023
[133] MICHALCOVÁ, Jana, marketing expert [oral communication], Krahulov, 20. 3.2023
[134] Agrární Komora české Republiky, *Facebook*. [online], Třebíč, 2023[cit. 2023-03-14]. Available at: https://www.facebook.com/agrarnikomoracr/
[135] MICHALCOVÁ, Jana, marketing expert [oral communication], Krahulov, 20. 3.2023

fatal impact on the functionality and sales of the e-shop. These factors cannot be influenced but can be prepared for to some extent.[136]

Being asked about a more pleasant topic meaning opportunities, we talked about **the possibility to cooperate with universities as a market opportunity**. This meaning that creating awareness of the ADW´s brand at the universities could create potential new customers or demand for products on the e-shop. The awareness can be spread by lecturing the students at their university or involving them in the research and development of the compound feeds. Something similar is already ongoing in the sister company of ADW AGRO where students from Mendel university were invited to research plant and crops nutrition. When the students graduate and go work somewhere in the agricultural industry there is a chance that by building this awareness and somewhat relationship to the brand the students will opt first for using the products of the company at their jobs. For example, using the compound feeds produced by ADW for their pigs, chickens etc…[137]

Horse breeders, owners and caretakers are a huge opportunity that the e-shop can utilize. The horse isn´t considered a farm animal but rather a pet. The approach in shopping for these customers is different than other animal owners. The horse owners are very sensitive on quality of the products and not the price. They are also very loyal when they find some products that are good for the horse. The horse owner / breeder community is a group of regular returning customers, and this area has a large potential.[138]

Small BIO – farmers living in the country where they own a few farm animals, and they produce their own animal products. These people often sell in small numbers at the farmers market or keep the products for themselves or they give it to their family. This customer segment wants to buy as much organic feeds as possible since the relationship with their animals is more personal than the big farmers have with theirs. Again this area is a great opportunity to use for the e-shop.[139]

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[136] MICHALCOVÁ, Jana, marketing expert [oral communication], Krahulov, 20. 3.2023

[137] MICHALCOVÁ, Jana, marketing expert [oral communication], Krahulov, 20. 3.2023

[138] MICHALCOVÁ, Jana, marketing expert [oral communication], Krahulov, 20. 3.2023

[139] MICHALCOVÁ, Jana, marketing expert [oral communication], Krahulov, 20. 3.2023

The season readiness. This term meaning that often pastures in the summertime are very dry and the animals don't get enough vitamins and nutritious values. For this problem there is a simple solution which is that the compound feeds from ADW have all the needed factors. The farmer can then supplement the current unavailable nutrition with the compound feeds.[140]

The current inflation and a return to traditional domestic farming. The current expensive times have hit almost everyone and with today's costs of meat, eggs, fruit or vegetables many people decided to stop shopping for those goods and want to grow them at home. This situation is utilizing the needs of people for compound feeds and supplements for their animals like chickens and others which will be the source of the products wanted by the customer.[141]

The generational change in agricultural zootechnicians. The generational change is a great opportunity for e-shop since the younger people don´t need salesmen anymore and they are used to shopping on the e-shops. The thinking of the younger generation will help the e-shop to sell its products and to gain new customers.[142]

2.5. Evaluation of SEO

This research was done by using the browser Google.com and I also had access to results in Google Analytics provided by Mrs. Celinská. When searching for compound feed for animals, I couldn't help but notice that ADW didn't even appear on the first page of results, which means the site should be optimized for browsers to get the company in front of a wider audience of new potential customers. The webmaster should optimize the web environment to make his site more easily searchable. It would be advisable to add more text containing keywords that will increase the online store's search engine visibility, rankings, and traffic. Without a doubt, the reach will be wider when the company will invest more resources into this. To further confirm my claim, I am attaching a screenshot from the first page of my Google search when looking for compound feeds for animals.

[140] MICHALCOVÁ, Jana, marketing expert [oral communication], Krahulov, 20. 3.2023
[141] MICHALCOVÁ, Jana, marketing expert [oral communication], Krahulov, 20. 3.2023
[142] MICHALCOVÁ, Jana, marketing expert [oral communication], Krahulov, 20. 3.2023
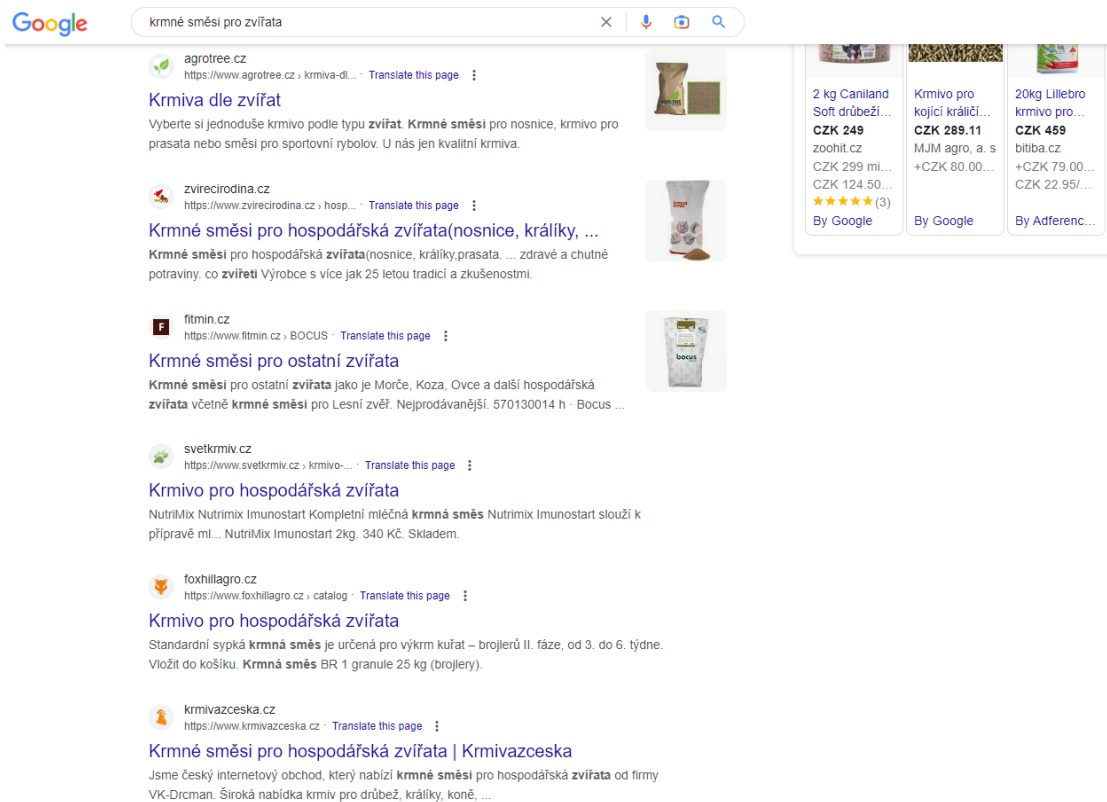
Figure 5: Google search for compound feeds for animals[143]

[143] GOOGLE, Krmné směsi pro zvířata, *Google search*, [online], Třebíč, 2023, [cit. 2023-03-14].
Available at:
https://www.google.com/search?q=krmn%C3%A9%2Bsm%C4%9Bsi%2Bpro%2Bzv%C3%AD%C5%99ata&oq=krmn%C3%A9%2Bsm%C4%9Bsi%2Bpro%2Bzv%C3%AD%C5%99ata&aqs=chrome..69i57j0i22i30.12780j0j15&sourceid=chrome&ie=UTF-8.

2.6. The current state of social media

Since the e-shop falls under the ADW FEED division, I focused only on their social networks for this analysis. The Facebook page was only established in July 2022. The activity on the page is quite good and several posts are being added every month, which is good for both the algorithm and the existing followers who are interested in the content of the page. On the profile, you can go directly to the e-shop site via a link, which is one of the plus points. Before Christmas, the profile also featured a promo for products that can be purchased on the e-shop and followers were encouraged to visit it. The presence of the Facebook page on the e-shop can be seen in the left side in a small square. By my meaning the implementation of the social media account should be done a little bit better. Facebook is a great platform for advertising and more traffic to the website, e-shop and more followers could help here too. However, there is no Instagram account and I take this as a big mistake that should be corrected in the future. If the company did not try to develop its social networks in the future, it would be losing a large percentage of potential customers.
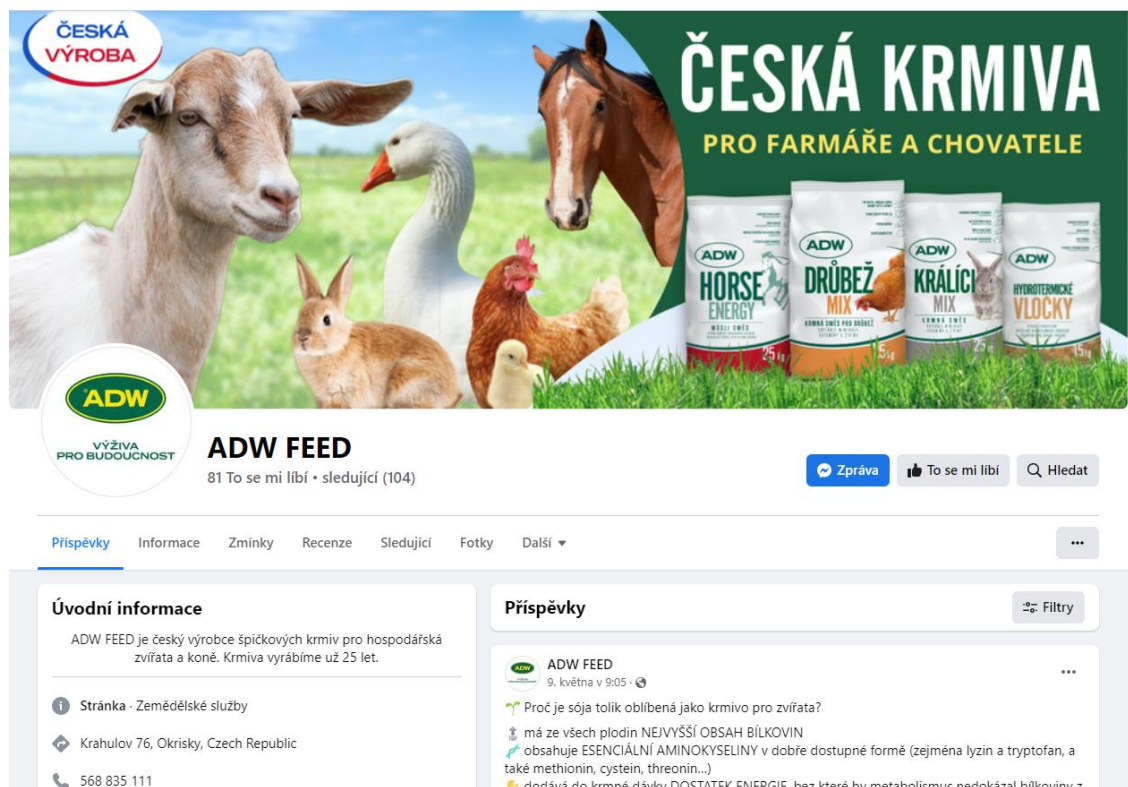
Figure 6: The Facebook page of ADW FEED[144]

2.7.   Introduction of the competition

For the competition analysis the author used desk research and information provided from the interviews with Mrs. Celinská. There is also a screenshot from each of the competitors and also from ADW´s website added for a better view of how their e-shop or website looks like.

Equi San

The Equi San brand is a project for horse breeders, created in cooperation with the German company Sano. Sano produces mineral feeds, dairy feed mixes and specialities for modern animal nutrition. It has been on the market since 1976 and successfully operates in more than 35 countries around the world, with 8 production plants in Europe as well as in countries such as Mexico and China. Their unique consulting concept brings

[144] ADW FEED, Adw Feed – výživa pro budoucnost [online], Krahulov, 2023 [cit. 2023-02-15]. Available at: https://www.facebook.com/adwfeed/

together the experience and expertise of farmers, nutrition consultants and veterinarians in the field of animal nutrition worldwide. It is worth mentioning that the Equi San brand even tho it is run by the German company Sano, it is still a Czech maker and people do take that into account. Their products are high quality and their saleswoman is very good at her job and her customers trust her. The only minus for them is that she is an ex-employee of ADW and since then has been forbidden from contacting ADW´s customers. Their dairy feed mixes are made by Sehnoutek and Sons s.r.o.[145]
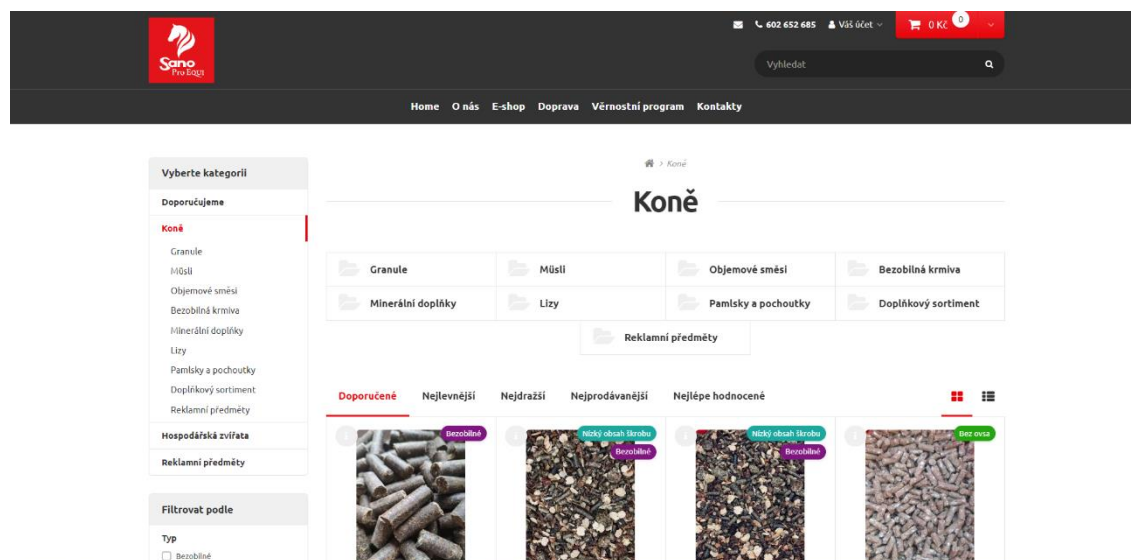
Figure 7: Equi San´s e-shop homepage[146]

Sehnoutek a Sons s.r.o.

Czech family-owned business that produces and sells quality feed mixtures for domestic and farm animals. With a tradition since 1991, the company's development has gone hand in hand with production to put the company at the forefront among domestic manufacturers of compound feed or at least they claim it. They own their own production line and also make dairy mixes for their competitor Equi San.[147]

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[145]SANO PROEQUI, *Sano ProEQUI: O Nás*, *www.sanoproequi.cz*, [online], Třebíč, 2023 [cit. 2023-02-15]. Available at: https://www.sanoproequi.cz/o-nas

[146] SANO PROEQUI, Sano - Moderní výživa zvířat spol. s r.o., *Sano ProEQUI: Koně*, *www.sanoproequi.cz*, [online], Třebíč, 2023 [cit. 2023-02-15]. Available at: https://www.sanoproequi.cz/kone

[147] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023
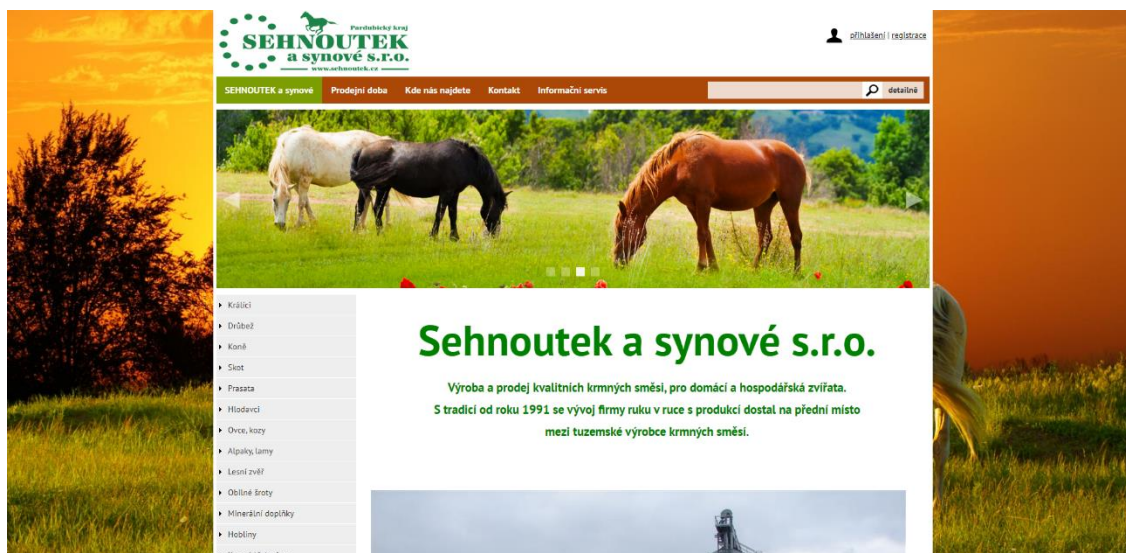
Figure 8: Sehnoutek and Son´s web homepage[148]

Zea Sedmihorky

Czech family-owned business offering compound feed and nutritional supplements for livestock and domestic animals. They have a very well-known brand of horse feed called Nova Equi which is beloved in the horseback riding community for its great quality. They have a great feed configurator which should be an example for all their competitors.[149]

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[148] SEHNOUTEK A SNOVÉ, *Sehnoutek A Synové s.r.o.*, [online], Třebíč, 2023 [cit. 2023-02-15]. Available at: http://www.sehnoutek.cz/

[149] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023
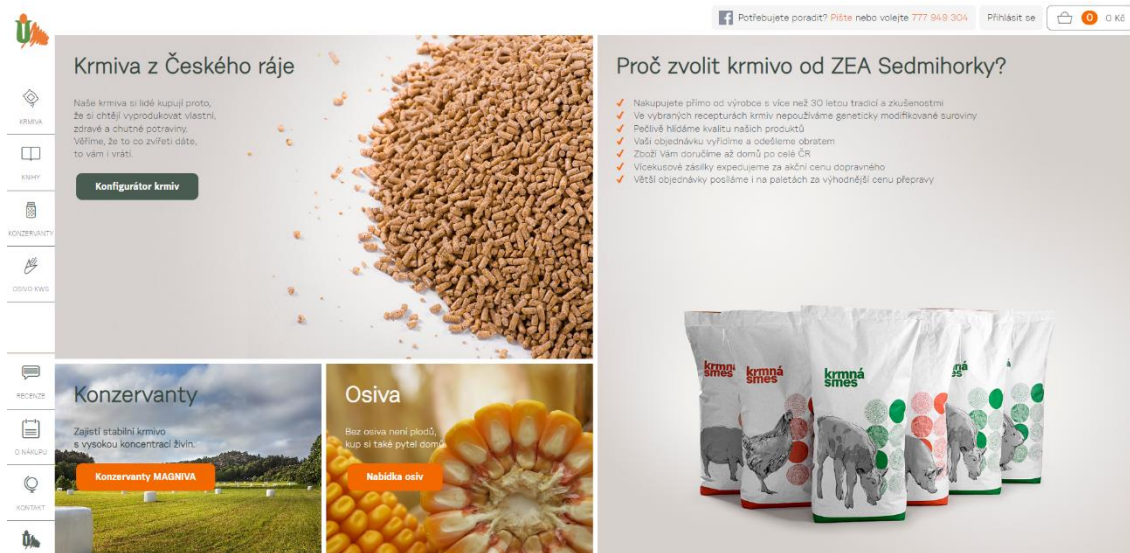
Figure 9: Picture n. X: Zea Sedmihorky´s e-shop homepage[150]

De Heus

Dutch family-run business is one of the biggest names in the Czech Republic and also the European market. They offer top-tier supplements and compound feeds. Their products are sold by many companies and partner shops here and also in Europe. They have one of their own production lines near Brno in Bučovice. They have a very successful brand for horse feed called Energys which is well-known in the community. They are mainly focused on B2B and they do not have their own e-shop for the final customer since you have to be a distributor to access their site but they still more than deserve to be included in this chapter and this thesis. [151]

[150] Zea Sedmihorky, *Eshop ZEA SEDMIHORKY*. [online], Třebíč, 2023 [cit. 2023-02-15]. Available at: https://zea.cz/eshop

[151] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023
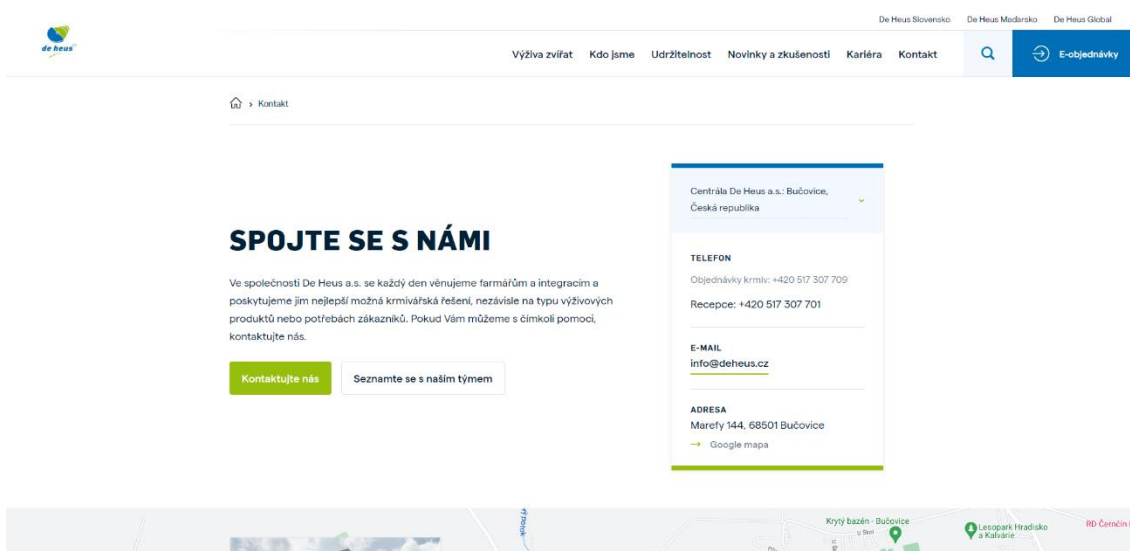
Figure 10: De Heus´s web homepage[152]

Fitmin

Czech family-run company from the region of Orlické mountains that offers food for dogs, cats, horses, rodents, supplements for dogs and natural treats for dogs, cats and horses. Their products are high quality, and their brand is called Boccus. Focused on B2B and B2C market gives people many varieties to choose from. Their horse feed Boccus is also very well known in the horse owner community. [153]

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[152] DE HEUS, *De Heus a.s. Česká republika*. [online], Třebíč, 2023 [cit. 2023-02-15]. Available at: https://www.deheus.cz/vyziva-zvirat/e-objednavky
[153] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023
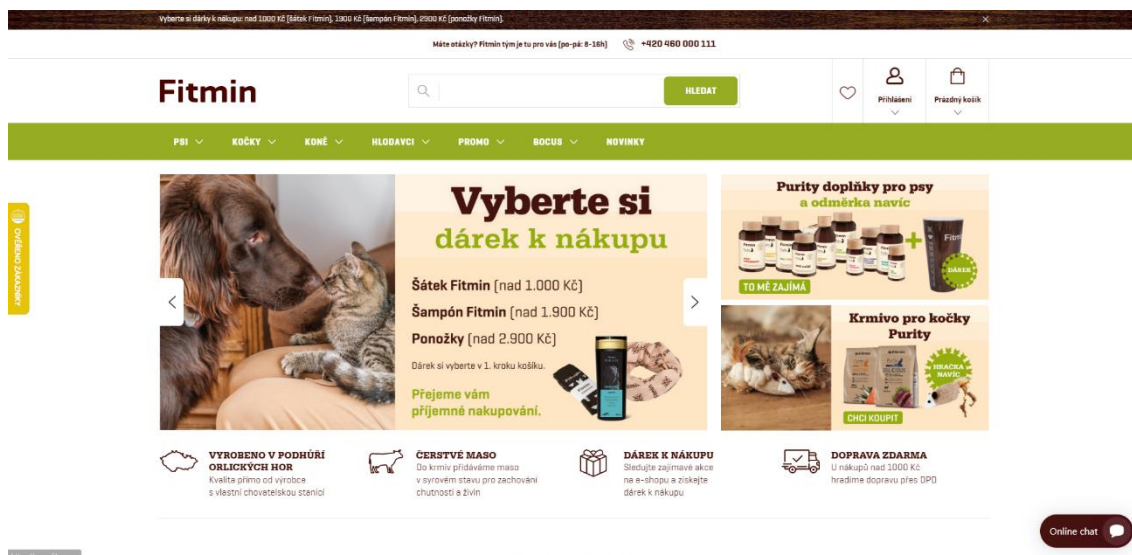
Figure 11: Fitmin´s e-shop homepage[154]

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[154] FITMIN, *Fitmin.cz ,* [online], Třebíč, 2023 [cit. 2023-02-15].]. Available at:
https://www.fitmin.cz/?gad=1&gclid=CjwKCAjwjYKjBhB5EiwAiFdSfmx0aWEBO6977C-
_mbLzPniORz-p_hKM4p0y21nqrnNOHOi4X7YVkxoC8WkQAvD_BwE

Figure 12: ADW´s e-shop homepage[155]

2.7.1. Comparison of the e-shops benchmarking

In this section, I will compare and evaluate ADW's e-shop with their competitors' e-shops. I will evaluate and compare them based on the factors that have already been mentioned in the theoretical part in the chapter of **criteria for evaluating an online store**. Each of these criteria is firstly evaluated in paragraphs and then we can find it embedded into the following table which is a table where all the companies are sorted next to each other, and the factors are written underneath. The score is given to each factor of each company and summed up in the end. This table helps to understand where the ADW´s e-shop is currently roughly positioned between its competition. The author decided to use a scale ranging from 1-5 points including decimal points for more accurate evaluation. The number 1 being the lowest possible score and the number 5 being the highest possible score. To give specific example from the table with this rating there is the factor of Design and layout of the website, where Fitmin has 5 points as the best and Sehnoutek and sons has 1 point as the worst. The reader can see for himself from the screenshots provided in the earlier chapter in introduction of the competition. The table and evaluation were based

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[155] ADW E-SHOP, *ADW Eshop: Krmiva Pro Zvířata a pěstitelské potřeby*, [online], Třebíč, [cit. 2023-02-15]. Available at: https://eshop.adw.cz/

on the information gained from interviews with Mrs. Celinská and on the experience on the websites when I visited them and tried to navigate through them.

Usability

There is beauty in simplicity, and that is what I would call the overall feeling of the ADW e-shop. The navigation of the site is simple and precise. There is nowhere to unintentionally wander on the site, no annoying ads pop up, no excess windows and overall, this e-shop is simple to use. Even so, in this category, I have to leave it behind its competitors in the form of ZEA Sedmihorky and Fitmin, who have managed to adapt their e-shops even better for their customers and are still a step ahead in all the mentioned usability factors.

Accessibility

The only thing I would criticise here is the light-yellow background in the left part where the categories are selected and then below the products where the background is white, and the font is too thin. These two things could cause reading problems. The font could be enlarged and highlighted a bit for better readability, which would solve this problem.

Content quality

It's hard to fault this category, as the quality of content here competes with other e-shops with the same rating from table 1. However, there is always room for improvement, which is why I have decided to give this category a rating of four.

Design and layout

The e-shop website is designed simply and clearly. We can see the logo on the top left, the categories in the top middle and next to them the shopping cart and user profile login. The green colour brings a pleasant feeling of security and peace. Combined with the white colour and the occasional yellow colour, where these are the company colours (green and yellow), the e-shop gives a pleasant impression, and it is easy to understand where a product is or what category it falls under. The only minus point I would probably rate is that the categories are listed both on the left side of the page and at the same time at the top, and from my point of view this is unnecessary. This space could be replaced by other

elements that would have some relevant meaning for the customer or at least catch their attention.

Security

In this case, it is a very secure site that inspires customer confidence. No unwanted windows pop up that could be dangerous and could potentially compromise the customer's personal data or contain a virus. Also, in terms of friendliness and feeling of security, I have decided to award full points, as with almost all the other e-shops compared.

Performance

In terms of performance, where the speed and reliability of the site is evaluated, I awarded one point from the maximum because in one case the site wouldn't load, and I waited a bit longer than would have been pleasant. So, in this case, I would only focus on making sure that this error was an isolated occurrence.

Mobile optimization

Mobile optimization could be much better compared to other sites. The site gave the impression that it was only a slightly modified version of the desktop site. The categories were only indicated by the "more" button, and they finally appeared when clicked. The main image was the same as on the desktop version, and the next thing worth mentioning was the font size, which should be unified for all the important things on the page. For this point, changing the page layout and optimizing it more for mobile would be in order.

Search engine optimization

If you enter "livestock feed" in the search, the ADW e-shop is not even on the first pages of the results. If we talk about the keywords ADW and e-shop, the page comes up perfectly fine. To solve this problem, it would be a good idea to invest more money in keywords and SEO in the future for more traffic density on the page and potentially increased sales.

Social media integration

Since ADW only has a Facebook profile and even so, the number of followers is very low, only this profile is logically displayed on the e-shop. I have devoted a separate subsection to the topic of social networks and their use in the analytical and proposal part.

Customer service

I miss the option of a chatbot or live chat on the site with the person in charge of the e-shop. In case of any problems, you can only call the phone or write an email. I tried customer service by phone and email myself and the operator was very friendly and answered all my questions. As for communication via e-mail, I waited for a reply and they replied within the next day, which I think is an acceptable time.

Table 2: Evaluation of ADW´s and its competitor's e-shops[156]

Factor	ADW	Equi San	Fitmin	Sehnoutek and sons s.r.o	ZEA Sedmihorky
Usability	3.5	3.5	4	2	4
Accessibility	4	4	4	2	4
Content quality	4	4	4	2	3
Design and layout	4	4	5	1	4
Security	5	5	5	3	5
Performance	4	4	4	4	4

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[156] Source: own work based on interviews with the e-shop´s manager Mrs. Celinská and benchmarking.

Mobile Optimization	3.5	4.5	4	1	5
Search engine optimization	3	4	5	2	3
Social media integration	2	4	5	1	2
Customer service	4	4	5	3.5	4
Total points	37	41	45	21.5	36

2.8. Used methods for evaluation of the e-shop

A SWOT analysis will be used to analyse the examine of the environment and the influence of external and internal factors on the ADW e-shop. The results of this analysis will later be used to better identify. After the SWOT analysis is conducted, the results will be used to identify key quadrants and critical factors, which will be further examined in more detail in the following chapter. Also for a better analysis of the customer's point of view, a mystery shopping analysis will be conducted. The chapters in the analytic part are also enriched with information gathered from interviews with the owner and the e-shop manager.

2.8.1. Mystery web shopping

I chose this method to measure the customer journey on the e-shop, customer satisfaction and also to evaluate customer support. This method is mentioned in the chapter of **used methods of the thesis**. The research was approved by Mrs. Celinská who is in charge of the e-shop.

2.8.1.1. What is mystery shopping?

Mystery shopping is one of the tools the author will be using in this bachelor thesis for measuring customer journey and experience. To further educate the reader and help him understand how this tool works the author conducted a short theoretical explanation.

Mystery shopping is the process by which a person called a "mystery shopper" pretends to be a normal customer of the business or company being researched. He is evaluating the quality of service, products, and overall experience of a business. Mystery shoppers are usually hired by companies externally to gather information about their own businesses or their competitors' businesses. The information gathered is then utilized to pinpoint areas where customer service, product quality, or the overall customer experience can be improved. Mystery shopping is intended to assist firms in streamlining their operations and boosting client happiness. [157]

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[157] EIOPA, *Mystery shopping as a tool for conduct supervision*, *European Insurance and Occupational Pensions Authority*. [online], Třebíč, 2023 [cit. 2023-02-15]. Available at:

2.8.1.2. The goals of the mystery shopping

My aim was to try out the role of a customer in an e-shop and to identify any problems or shortcomings that occur in the e-shop that could cause complications for the customer's smooth shopping experience. I would then use these outputs in my proposal part of the bachelor thesis and suggest measures to address them. This way I could also roughly measure how satisfied a regular customer might be with customer service and the overall purchase experience. Another objective that was linked to customer service was to map the knowledge of the e-shop employees about the products offered. This objective was conducted by e-mail and through telephone communication.

2.8.1.3. Data collection and research process

Since I decided to do this research myself and not hire an external company or someone to help me with mystery shopping, I tried to put myself in the shoes of an ordinary e-shop customer as accurately as possible. I decided to play the role of a customer who wants to buy feed and a few supplements for his horses, chickens, and cats.

When I opened the page, I found it easy to navigate thanks to the simple design and layout of the page. I couldn't help but notice that the category where the customer selects the appropriate animals or growing supplies is on the top of the home page as well as on the side, which I found a bit unnecessary and slightly confusing.

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https://www.eiopa.europa.eu/browse/consumer-protection/mystery-shopping-tool-conduct-supervision_en

Figure 13: Homepage of ADW´s e-shop[158]

After clicking on the horse category, I focused on the feed, which is for racehorses. To my pleasant surprise, I was able to choose from several product options right away and after adding it to my cart, I was also recommended a feed measuring cup, which I decided to purchase as well.
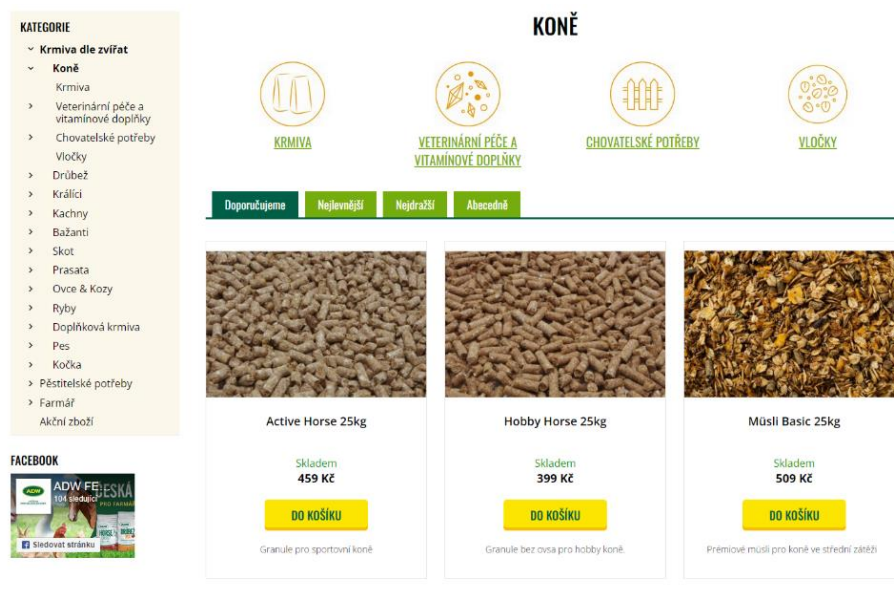
Figure 14: The "horse" category at ADW´s e-shop[159]

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[158] E-SHOP ADW, ADW Eshop: Krmiva pro zvířata a pěstitelské potřeby [online]. Krahulov, 2023 [cit. 2023-02-15]. Available at: https://eshop.adw.cz/

[159] E-SHOP ADW, ADW Eshop: Krmiva pro zvířata a pěstitelské potřeby [online]. Krahulov, 2023 [cit. 2023-02-15]. Available at: https://eshop.adw.cz/kone-2/

I moved from horses to rabbits, where I decided to test the knowledge of the staff and their ability to advise the customer on product selection. Over the phone I got in touch with a lady who was very nice, personable, and patient, as I tried to sound as undecided and unsure as possible in my choice, I must greatly appreciate all the qualities already mentioned. The lady helped me choose the food I was looking for. In this category, I added muesli and a feed mix with anticoccidial to my basket.
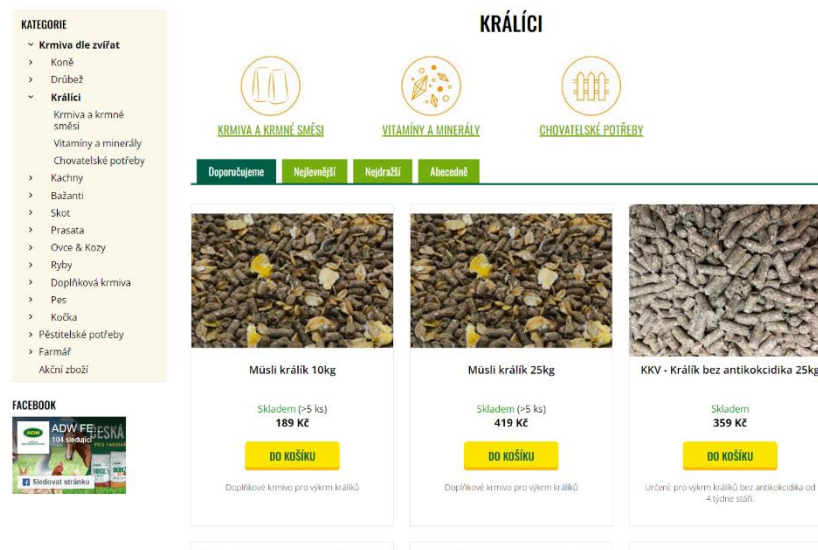
Figure 15: The "rabbit" category at ADW´s e-shop[160]

For my last test, I went to the cat category and decided to get advice via email. I asked about the difference and advantages of the two different brands of kibble and canned food. Since I was doing this part of the research towards the evening, I received a reply the very next day during working hours. The lady in the email was again very pleasant to talk to, explained everything to me and made me feel comfortable and committed with my choice of products.

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[160] E-SHOP ADW, ADW Eshop: Krmiva pro zvířata a pěstitelské potřeby [online]. Krahulov, 2023 [cit. 2023-02-15]. Available at: https://eshop.adw.cz/kralici/
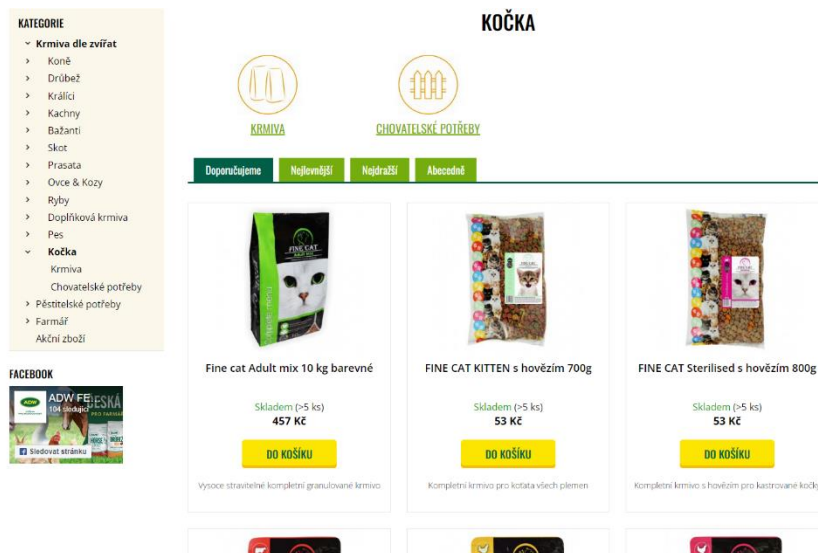
Figure 16: The "cat" category at ADW´s e-shop[161]

After moving to the cart, I was given the choice of shipping method in the form of personal collection at the Krahulov branch, ADW shipping from two kilograms or package up to two kilograms. What was a bit disappointing was that even though my order was clearly over two kilos and shipping was free, the option of package up to two kilos and paid shipping still went unchecked.

Figure 17: The cart of the mystery shopping order at ADW´s e-shop[162]

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[161] E-SHOP ADW, ADW Eshop: Krmiva pro zvířata a pěstitelské potřeby [online]. Krahulov, 2023 [cit. 2023-02-15]. Available at: https://eshop.adw.cz/kocka/

[162] E-SHOP ADW, ADW Eshop: Krmiva pro zvířata a pěstitelské potřeby [online]. Krahulov, 2023 [cit. 2023-02-15]. Available at: https://eshop.adw.cz/

Next, I was deciding on a payment method. The choice was quite wide: cash on delivery, bank transfer, payment by card or pallet gate, invoice for approved customers (I'll come back to this method) or one could apply a discount code. At this page there is also a weekly plan of the delivery days for specific districts so the customer will know when to roughly expect his order. At the meeting with Mrs. Celinská, I asked what an approved customer meant. She explained that for customers who pay on time at the due date, this option opens up after the first order. If the customer does not pay for the ordered goods by the due date, or within thirty days, they lose this payment option. This option can of course be regained.

Figure 18: The payment and delivery method selection at ADW´s e-shop[163]

After clicking through to the next page, the customer is asked to enter his billing information or to log into my customer account or to register if the customer did not already have an account. I filled in all the important details and submitted the order. I received a confirmation email the next day confirming receipt of my order, thanking me for my purchase and giving me a tentative delivery date and information.

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[163] E-SHOP ADW, ADW Eshop: Krmiva pro zvířata a pěstitelské potřeby [online]. Krahulov, 2023 [cit. 2023-02-15]. Available at: https://eshop.adw.cz/

Figure 19:Personal information and billing address at ADW´s e-shop[164]

Based on my conversations with Mrs. Celinská, I found out that if I chose to pay by invoice, I would still receive an email with the invoice and a request for payment. Since this was mystery shopping and I didn't actually have to pay for the products, I would miss the rest of the information about the delivery process. Fortunately, I was able to fill in this missing piece of information by talking to Mrs. Celinská. After the order is accepted, a confirmation email is sent, and a tentative delivery date is still sent to the customer, an email is sent a few days in advance reminding them of the exact delivery date. On the day of delivery, the driver will also contact the customer by phone to confirm the loading and delivery time. All emails are sent manually so far and I will address this issue more in the proposal part. When unloading an order, the driver will help the customer to deliver it to their home, free of charge.[165]

2.8.1.4.   Mystery shopping summary assessment

The overall feeling of the e-shop was positive and pleasant from my point of view. The customer journey is not complicated, the customer service I would call downright on point, and the knowledge of the staff on the phone or through email communication was

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[164] E-SHOP ADW, ADW Eshop: Krmiva pro zvířata a pěstitelské potřeby [online]. Krahulov, 2023 [cit. 2023-02-15]. Available at: https://eshop.adw.cz/

[165] CELINSKÁ, Lenka, e-shop and retail manager [oral communication], Krahulov, 13.2.2023

broad and well passed on to the customer. The slight minuses that I would highlight and at the same time call them relevant outcomes that I tried to achieve with this research would be the manual emailing, the lack of quick advice via live chat directly on the site or the use of artificial intelligence in the form of chat-bot and the unfinished integration of Apple and Google pay. I will address these outcomes in the proposal part of my bachelor thesis.

2.8.2. SWOT matrix of the ADW´s e-shop

Table 3: SWOT analysis of ADW´s e-shop[166]

	Positive	Negative/Harmful
	Strengths	Weaknesses
Internal factors	- User-friendly website design with easy navigation and search options - Wide range of products in various categories - Detailed product descriptions with clear images and specifications - Offers free shipping on orders above a certain weight - Multiple payment options - Physical store location - Free advisory program ran by animal nutrition specialists	- The website is only available in Czech language - Limited customer support options, no live chat support available - Limited social media presence and online marketing methods - Limited shipping only for the region of Czechia - Recession leading to decrease in customer spending
	Opportunities	Threats

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[166] Source: Own work based on the interviews and information gathered in the analytical part, 2023

External factors	• The possibility to cooperate with universities as a market opportunity • Horse breeder, owner and caretaker community • Small BIO – farmers • The season readiness • The current inflation and a return to traditional domestic farming • The generational change in agricultural zootechnicians	• The negative brand image or negative publicity • companies specialised on retail sales and B2C segment • The competition battle on social media and dragging over customers • Larger marketing budget of the competition • Legislation restricting animal breeding • Government protectionism

Strengths

- **Wide range of products offered in various categories**

  The e-shop provides a wide range of products in many categories, allowing it to serve a variety of customers and give them the freedom of choice in their purchase that might suit them the best. The range of products varies from compound feed and treats to accessories for domestic animals or even pond fish. The reader can see for himself by visiting the webpage: https://eshop.adw.cz/ or going to the attachment part of the thesis.

- **User-friendly website design with easy navigation and search options**

  These two elements help to provide a pleasant user experience and can improve customer satisfaction. The customer does not get lost in a tangle of irrelevant information or other images reducing their attention and ability to find the product they are looking for.

- **Multiple payment options including cash on delivery, bank transfer, and online payment gateways**

  By having these options of multiple payment methods gets the e-shop a huge advantage against its competition. These options are also safe which provides and enhances customer trust, and it also encourages purchases.

- **Detailed product descriptions with clear images and specifications**

  By having this point present in the current e-shop provides the customer with an excellent level of detail about the product, which can help him in the product purchase decision and will ensure him what he is buying is really what he needs or wants.

- **Free shipping on orders above a certain weight**

  Unlike many agricultural e-shops this one actually has free shipping over a certain weight. The weight is 2 kg and over means that you are basically guaranteed free shipping if you are buying any kind of feed for your house animals. The customer can spend the shipping money in other departments of the store.

- **Has a physical store location for customers who prefer to shop in person**

  Not everyone is comfortable shopping on the Internet, especially the older generation or someone who really wants to ask for help about their wants and wants to talk to a real person. Thus, having a physical store is a good thing.

- **Free advisory program ran by nutrition specialists**

  The e-shop offers this program as a customer service even for non-buyers. The employees are trained specialist and will help to choose customers the right products for their needs. If the customer has a need that is not solved by any specific option in compound feeds, there is an option which will the e-shop´s employee offer to the customer and that being making a custom feeding mix for the customer´s animal.

Weaknesses

- **Limited international shipping options**

  Since the shipping is sadly limited only to the land of the Czech Republic people in other countries who might be interested in buying the products they are offering will have to find another way of purchase. On the other hand, it leaves room for possible expansion to different countries and their markets.

- **The website is only available in the Czech language, which limits the potential customer base**

  If the firm decides to expand this will eventually become a weakness even more than it is now. But even now potential non-Czech speaking customers can´t understand the product description or even site navigation. Something to fix in the future.

- **Limited customer support options with no live chat support available**

  No live support in form of an actual person or at least a chatbot is by my judgment not a good thing. If customer needs help, he should be able to get help in a matter of seconds and not have to call in or write e-mails. This not being that significant problem still should rise awareness in fixing the problem in the future.

- **Limited social media presence and online marketing efforts**

By having no Instagram and only a Facebook page for the company the online awareness can´t reach its potential. This problem will also be addressed in the suggestions of improvement chapter.

Opportunities

- **The possibility to cooperate with universities as a market opportunity**

This means that creating awareness of the ADW´s brand at the universities could create potential new customers or demand for products on the e-shop. The awareness can be spread by lecturing the students at their university or involving them in the research and development of the compound feeds. Something similar is already ongoing in the sister company of ADW AGRO where students from Mendel university were invited to research new ways of plant and crops nutrition. When the students graduate and go work somewhere in the agricultural industry there is a chance that by building this awareness and somewhat relationship to the brand the students will opt first for using the products of the company at their jobs. For example, using the compound feeds produced by ADW for their pigs, chickens etc… By creating a relationship between the brand and the students the firm can also gain new employees coming from among the influenced students.

- **Horse breeder, owner, and caretaker community**

This community is at the same time a huge opportunity that the e-shop can utilize. The horse isn´t considered a farm animal but rather a pet. The approach in shopping for these customers is different than other animal owners. The members of the community are not looking as much at the prices as they are at the quality. They are also very loyal to a brand once they find one that suits their animal. They are one of the returning customers and they are currently creating the biggest customer group of the current e-shop. There is more options how to utilize this opportunity and overall this area has a large potential.

- **Small BIO – farmers**

  These people who are living in the country side where they own a few farm animals, and they produce their own animal products are in need for products and feeds that will keep their animals healthy and prospering. These people often sell in small numbers at the farmers market or keep the products for themselves or they give it to their family. This customer segment wants to buy as much organic feeds as possible since the relationship with their animals is more personal than the big farmers have with theirs.

- **The season readiness**

  In different times of the year there are sometimes unpredictable situations like drought in the summer. This means that the animals feeding on the pastures won´t get enough nutritious values and vitamins. That is why the farmers opt for the compound feeds that have all this values and can then substitute with them the fresh grass and other things animals eat on the pastures.

- **The current inflation and a return to traditional domestic farming**

  The current prices of foods have skyrocketed and sometimes people are not able to afford the things they used to buy as before. That is why some of them are turning back to traditional domestic farming mostly in villages and country sides, but some exceptions can be found even in the cities. People are buying hens for eggs, rabbits for meat and other animals that need to be fed good quality feeds. Organic compound feeds are the best option and ADW has those ready for the customers. Utilizing of this opportunity can lead to higher turnover and sales with more returning customers. This will also help spread brand awareness since people happy with the products might use word of mouth or post about it on social media.

- **The generational change in agricultural zootechnicians**

  The generational change in the agricultural industry, precisely speaking about zootechnicians is a great opportunity for e-shop since the younger people don´t need salesmen anymore and they are used to shopping on the e-shops. The

thinking of the younger generation will help the e-shop to sell its products and to gain new customers and establish new relationships.

Threats

- **The negative brand image or negative publicity**

    Having a negative brand image or negative publicity can have a big impact on the decision making of customers. They can be sceptical or even switch to a different brand. Keeping the brand image and the publicity positive is very important.

- **Companies specialised on retail sales and B2C segment**

    The company was always focused on the B2B market. The e-shop wasn't the priority. This is why the competition has an upper hand on the current e-shop and steps need to be taken to enable the e-shop to be competitive with the others.

- **The competition battle on social media and dragging over customers**

    The battle for customers is a constant. Competing for the customers on social media and feeding him relevant information is a war between the competition and this factor should be improved in the future because looking at it now the company and its social medias are still waiting for some larger development. The dragging over customers has happened when the ex-employee of ADW started working as a saleswoman for one of the competitors and dragged over some customers because they trusted her, and she was very good at her job.

- **Larger marketing budget of the competition**

    The competition has much larger budget for the marketing segment which helps them to gain more customers at the expense of the e-shops that don't have this kind of budget. This threat can be influenced from the inside and can be eliminated. More on this topic will be written in the proposal part of the thesis.

- **Legislation restricting animal breeding**

    As mentioned in the chapter summary of an interview with the marketing expert for ADW, the legislative can change rapidly and restrict animal breeding which will lead into big decrease in demands for the compound feeds. The whole

industry and not only the e-shop would suffer.

- **Government protectionism**

  This problem influences a lot of domestic farmers because they simply can´t compete with the supercheap imported foods and goods. This also affects the e-shop because the demand for the compound feeds and products will lower when some of the farmers must shut down their farms. By combining this and the previous threat can lead into some fatal domestic products market failures.

- **Recession leading to decrease in customer spending**

  By the opinion of Mrs. Michalcová one of the biggest threats possible for the e-shop is recession leading into decrease in customer spending. Her claim is based on 25 years of experience in the market and supported by countless feedback from customers. The combination of this and the other two previous threats would again have a fatal impact on the functionality and sales of the e-shop. These factors cannot be influenced but can be prepared for to some extent.

2.8.3. Summary of the SWOT matrix of the ADW´s e-shop

The SWOT matrix was used to identify strengths, weaknesses, opportunities, and threats of the ADW´s e-shop. Identification of these factors will help the author in making suggestions for improvement of the mentioned e-shop. This means using the strengths and opportunities to the maximum and improving, minimizing, or eliminating the weaknesses. As far as threats are concerned, it is difficult to influence these factors, but one can prepare to some extent for a situation where threats might occur.

For the SWOT matrix, information from the interviews with Ms Celinska and Ms Michalcova was largely used. In addition, information from e-shop comparison and mystery shopping was used.

The strengths that have been identified are free advisory programs run by animal nutrition specialists, free shipping above certain weight, multiple payment methods and wide range of products with clear descriptions. For the weaknesses the biggest ones are: limited social media presence on the site and in general, having no option of chatbot or live chat present on the e-shop and the site being only available in the Czech language. For the opportunities the main ones to utilize were the horse community as a market

opportunity and the possibility to cooperate with universities as a market opportunity. The threats that would harm the e-shop the most would be negative brand image or negative publicity, restrictions in legislation of animal breeding, protectionism from the government and recession leading to decrease in customer spending.

The factors discovered helped with the creating of some of the smaller proposals in the proposal part of the paper.

2.9. Summary of the analytical part

In the analytical part, I mapped the competition, compared the current state of the e-shop with those of competitors, mapped and described the current business model of the canvas e-shop, focused on mapping the e-shop from the customer's point of view and its journey using mystery shopping, used the information provided by the interviews at the company's consultations and finally used the SWOT matrix to analyse the e-shop´s strengths, weaknesses, opportunities and threats.

For the next chapter, I have chosen information that is relevant to suggest measures to improve the e-shop and at the same time, their implementation is realistic and feasible.

3. PROPOSAL PART OF THE THESIS

In this upcoming part of this thesis the author will mention ways on how to improve the current e-shop and define the working attributes of the e-shop as set in the goal of the proposal part. These proposal for a solution can be also used when creating the new e-shop. The author will be using all the information gathered from the analytical part including information gained from interviews and the SWOT analysis. The focus is mainly given on solutions that are economically feasible and would make sense even for the new the e-shop. The proposal is divided to two parts where the first is focused on the main solutions and the other half will be more general solutions that can be implemented but are not crucial in these times for the e-shop to survive. The first part consists of Improvement of marketing and social media, Customer service and Webpage changes. Before the proposals there are mentioned the key findings from the analytical part of the working attributes and structure of the e-shop.

3.1 The structure of ADW´s the e-shop and key findings of working attributes and from the analytical part

In the analytical part the author evaluated the e-shop of ADW by comparing it with the competition´s e-shops, looking into the Business Model Canvas of the e-shop, using the mystery shopping method to experience the e-shop through the eyes of the customer, he

gained new information about the e-shop from the interviews and finally used the SWOT analysis. The main sources of information about the e-shop were benchmarking, desk research and mystery shopping. The structure and the customer journey is described more in the analytical part in the chapter of Mystery shopping. Here will be only brief recapitulation of the structure and the working attributes.

The structure of the e-shop is as following:

- **The main product menu page**

  The most important page of the e-shop. Customers search here for the product and its categories. The page is designed with background and shades of green. The left side is specifically dedicated for product menu under that is also a small square with the Facebook account linked. The top has also a product menu followed by search bar, cart and customer´s profile icon where the customer can sign into his account.

- **Main navigation menu**

  The navigation menu helping the customer to navigate through the e-shop and help him find a specific product he is looking for. The product and navigation menu are displayed at the top and on the left side as well so the customer can´t miss it.

- **Product detail page**

  The consumer is sent to a page with comprehensive product details, including specs, costs, sizes, colours, and other important information, after clicking on a specific product.

- **Cart and checkout**

  Customers may pick things to buy from the e-store and pay for them here. The payment and delivery options are following. After that the customer is asked to fill in his billing details.

- **Contact page or hotline**

  In the case there is a telephone or e-mail hotline that the customer can call if he needs any help in choosing the products or has some questions.

The functioning attributes of the ADW´s e-shop:

- **Design and user interface**

  The design and user interface are well managed. The layout is simple, everything is readable, and the customer will get where he needs without any unnecessary detours.

- **Product management**

  The products have pictures, price and the name displayed. After clicking on the product, the customer is directed to a page where the product is described in depth. In the case of compound feeds there is also analytical composition, added vitamins and recommended dosage displayed.

- **Cart and checkout**

  The cart and checkout functions well and the customer is guided thru the checkout process smoothly.

- **Security and data protection**

  The site is well secured and protected and there is no risk of the customers data being stollen.

- **Payment gateways**

  The customer can pay by many ways. Cash, card, bank transfer, Apple or Google pay in the future since this function is being implemented, there is also an option to pay by invoice for approved customers.

3.2. Improvement of marketing and social media

For the marketing sector to improve there is a need of big financial injection. That is the first step to make all the suggested points possible.

3.2.1. Improvement of social media and collaboration with influencers

As mentioned in the analytical section, social media is lacking far behind its competitors. While doing the benchmarking, I noticed that, for example, competitor Fitmin boasts its account version on Instagram, Facebook, YouTube and even on the increasingly popular social network Tik Tok. Investing in this segment is more than necessary and would certainly pay off for the company. Talking about already existing Facebook account of

ADW firm there should be considered an option of hiring a new employee to create content and keep the followers updated. This job is not easy and should not be addressed as a side job but addressed to somebody like a social media content manager who can also manage the Instagram account which is yet to be created. As I understand the firm doesn´t have a person in that position so hiring a new employee would be necessary for this or reshaping a role in the firm for and existing employee.

There is a need to spread awareness of the company on social networks as well, for example through collaborations with influencers who target the same target category as our company or, for example, with Instagram pages or YouTube channels focused on agriculture or animal husbandry. If it were a more specific focus, we could reach out to influencers or content creators on other social platforms who ride or are otherwise involved in the horse industry. Also, perhaps influencers who have other pets such as cats, dogs, dwarf rabbits, etc.

3.2.2. Creating social media accounts strictly for horses

It has been mentioned from Mrs. Celinská, that she would like to implement separated Instagram and Facebook profiles for strictly horse feed and supplements. Coming out of the SWOT analysis and on both interviews this option would separate the regular customer from the member of the horse community. The horse community treats the horses as a pet and not as a farm animal. Since they care for the horses that much it is logical to create a special platform. Here the customer can follow the new products for horses on the e-shop, upcoming events and content focused strictly on horses. Competition has already made these steps and it is proven that it works very well, thus I believe there is a good thing to follow them in this. Thanks to this the brand will get more into the subconscious in the horse community, raise awareness about itself and about the e-shop. Thanks to this step the e-shop will gain some new customers.

3.2.3. Investing in PPC campaigns and SEO

This part is closely connected with the social media investment since social media advertising is part of marketing. But here I want to mention PPC campaign or in full Pay-Per-Click is an advertising shown only to those to users who search for information using search engines or view certain content website and are also offered advertising related to

that content. This is one of the most effective forms of advertising on the Internet. High effectiveness is shown depending on low cost, but also on the precise targeting of specific customers. The indisputable advantage is that you pay for the user who actually visits the website. Search engine optimization is also closely connected with this topic and investment in this area I have already mentioned in the analytical part. Using the right keywords, HTML tags correctly and updating the e-shops relevant information regularly is also very necessary. Knowledge about these functions or how they work should be passed to the employees of the company by the provider and creator of the website. If this has not happened yet I would suggest organising a workshop or some kind of training to gain some of this basic knowledge and not having to rely on the skills of the domain provider.

3.2.4. E-mail marketing

Setting up a newsletter for which can customer subscribe via e-mail should be one of the next steps. Customer can get new information about products on sale, new products, new services, planned events that are organised by the company or ones that the company is attending / being part of. There are many more things you can put in your newsletter like personalised recommendations on previous purchases or to help customer discover new products that he hasn´t know of. Overall, these newsletters should aim to provide value to customers by offering helpful information and exclusive promotions. By keeping customers engaged and informed these actions can build brand loyalty, increase sales over time and spread awareness about the brand and its e-shop.

3.3. Customer service

For serving customers there are many ways to improve already well-working customer service. Here we will talk about some ways how to reward customers for being loyal, make their shopping experience better and get new potential customers.

3.3.1. Customer loyalty benefits

To motivate the customer to make repeated purchases can be achieved by rewarding the customers with some special benefits that will also increase their satisfaction with the e-shop and brand in general. To be exact there should be coupons or discount codes

provided for the customer after a set number of orders above some value, for example, a discount of 10% for the next order and guaranteed free shipping for the returning customer, this amount was calculated to be still profitable, and the e-shop would not lose any money. The coupon to attract new customers would be 5% off the first order which would again not lose the company any money since the margins are well calculated by the e-shops manager. The coupons or discount codes can be used in the e-shop in the section of delivery and billing information.

3.3.2. Improving the consultancy program

I have already talked about a consultancy program that is free even for non-buyers but educating the customer is a great option how to spend less time consulting and focusing the energy and time of employees on something more important. The idea here is to create educational videos with explaining how to feed the animals with the selected feeds, and their benefits, provide the customer with the results he will get if he decides on the feed made by ADW and provide enough information for the customer that can answer their possible upcoming questions.

The next possible way how to educate and help the customer is to create a list of the most frequent questions, answer them and place them somewhere that they can be seen on the e-shop. The same goes for the videos. The video should be made for each category of animal products and displayed on the e-shop´s website. This way the customer will have almost all the needed knowledge in hand and wouldn´t have to reach out for help.

3.3.3. Implementing live chat/chatbot

Implementing live chat or chatbot is connected with improving the customer consultancy program and by adding the feature of either live chat where employees would be answering your questions or using the AI to try to help the customer could be very effective for saving the customers time while choosing the product. If he has some simple question about the product and is not convinced by the information provided, he could use this feature and get a fast response right back. This is more efficient than calling the hotline and asking the employee for advice there. Of course, complex, and difficult questions are still going to be managed through the phone since not every question can be easily formulated into text form, but the main point of this suggestion is oriented on

the easily answered questions that a customer might have as mentioned before. The costs of the implementation of the chatbot range in hundreds or thousands of Czech crowns. It depends on the provider, the level of questions the bot will be able to answer and so on. For the ADW´s e-shop could be the implementation cheaper if the provider of the new website would be able to put in this function as well. There are also free options or trial versions so the e-shop can try out more options before steeling on a concrete solution. Based on search on Google.com the price for a chatbot on an e-shop is around 330 CZK per month.

3.3.4. Linking the e-shop with Heureka.cz

On the basis of benchmarking, when I noticed that a few competitors from the industry use this site and after checking their reviews, I considered it appropriate that linking with the site Heureka.cz, which is visited by people in large numbers and have the opportunity to express their opinion on the quality of the products offered, as well as the reliability of individual online stores, could bring a lot of benefits. This was also confirmed during the conversation with Mrs. Celinská, who takes care of the e-shop segment in ADW, among other things, she told me that one of the goals of the new e-shop would be to connect it with the already mentioned Heureka.cz website, and therefore it seemed obvious to me that I had to include this proposal in my design section. Linking the e-shop with the aforementioned site would lead to a greater inflow of customers, more trust in the brand through writing customer reviews that no one can delete or modify, so it is an authentic customer experience and of course to increase turnover and sales. The server Heureka.cz has a full tutorial how to connect the site with the e-shop. In short version the e-shop manager has to create an account on the Heureka website, after that in the e-mail he or she will activate the account through sent link by Heureka. After that the manager will login the account and in the section "For partner" you will find a link that says "Register new e-shop". After that you will fill in all the needed information for the e-shop to be approved by the admin of Heureka. Those criteria are filling in the name and URL address of the e-shop, customer support e-mail, URL XML file and other. By finishing this process, you will send this information to the admins of Heureka and you will get an e-mail in the following days if your e-shop was approved. If any problems occur like badly spelled e-mail address or other, they will send you an e-mail with the list of needed

changes. After completing the approving process, you will get an e-mail with information that the e-shop is approved and it will now be showing on the Heureka website. There are also PPC options for the e-shops to buy that will put their products above the competitions. The PPC campaigns work simply by inserting your desired amount of money into their system which will translate into credit when on the website. You can manage this and many other things like setting up the costs of shipping or the pick-up address in the administrator menu. Since the setup of the e-shop on the Heureka´s website isn´t hard this action should be done as soon as possible.

3.5.   Webpage changes

3.5.1. Webpage design changes

The new e-shop should be designed a little bit better with emphasis on the important and relevant factors for the customer. Precisely speaking the main home page where the space is not used to its optimal performance. When speaking about the design of the page there should be removed one of the doubled categories of products where one is in the middle at the top and the other on the left. I have already touched on this topic in the analysis part of the thesis but also wanted to suggest this as a change for the future design of the website. This should help the overall navigation of the site.

3.5.2. Orders under two kilograms

The next thing that needs to be fixed is the option to select shipping under two kilograms when the order is way over two kilograms. Currently, the option can be still selected which might cause unnecessary problems in billing or the total sum of the order.

3.5.3. Automatic sending of emails regarding the order

Currently, all information about orders is personally sent to the customer by the employees. An automatization of this process using bots to send these e-mails would be a great move to ease the employee's work. This function should be used when designing the new e-shop.

3.5.4. Optimization for mobile phones

Better optimization for mobile phones is key to easing the customer's shopping journey. When looking at the current webpage the navigation on the site while using a mobile phone isn´t very good. This change shall be also implemented in the new e-shop and will increase the satisfaction of customers´ journey and navigation through the e-shop.

3.5.5. Apple and Google pay

This option is currently not in service and will open new opportunities for customers how to pay for their orders. Paying through Apple or Google pay is way more comfortable than having to search for the credit card and fill in the numbers. By having this option available the customer saves time paying and can use this time for searching for more products to buy.

3.5.6. Translation of the webpage into English or other languages

Since the current e-shop is only in Czech, customers who do not speak Czech may be discouraged from using it. Therefore, translating the site into English or optimally into multiple languages will allow non-English speaking customers to shop. This improvement is essential if the planned expansion into foreign markets takes place in the future.

3.5.7. Wide range of products

To utilize this strength is key to keeping the offer up to date with the competition. Listing new products is giving the customer freedom of choice and also attracts a wider audience of customers.

3.5.8. Social media presence

Connected with the development of social media and is social media presence on the e-shop itself. The customers need to know that the firm has accounts on those sites and they can check out pictures, and information about products or events happening through those media. The way to is surely implementing more of social media in the next version of the e-shop and the links to the social media must be visible somewhere on the home page where the customer can easily notice them.

3.6. Steps for future implementation

These steps as mentioned before are not crucial for current implementations and are written as thoughts that can be transformed into a possible proposals in the future.

3.6.1. Expansion to foreign markets

During my conversation with Mrs. Celinská and as one of the outputs of the SWOT analysis, I received information that expansion into foreign markets is not unrealistic and she also plans to bring this proposal to the company. The potential expansion is linked to the expansion of transport, where it would no longer be possible to deliver via own transport and contacts would have to be established with external delivery companies. Expansion into a foreign market would take place due to the Czech market being overcrowded, as well as to expand brand awareness and attract new potential customers. The fruit would ideally be increased sales and more traffic to the e-shop site.

3.6.2. Collaborating with existing partners

As an existing partner, I don´t mean partners addressed in the business model canvas but partners which whom the company collaborates with. For example, the company is working with one of the biggest producers of laying hens for the private use sector, not the breeding facilities where the eggs are meant for supermarket sales. They are using the products of ADW, and their chickens have much better results like bigger eggs while using the same amount of feed. The same can be implemented in other sectors like horse racing. Partnering with famous riders or horse stables. The idea is that they will openly speak about the benefits of the brand and the results that the feed and supplements gave them, and this will not only raise brand awareness but also attract more customers to the e-shop which will lead to an increase in sales, turnover and possible repeatedly coming customers. ADW is already sponsoring the Czech most famous charioteer Jiří Nesvačil.

3.7. Summary of the proposal part

The main goal of proposal was the definition of structure of e-shop and its functional attributes, implementation steps, and evaluation of the proposal – contribution, aspects of realizations.

The structure of the ADW´s e-shop and its functional attributes was described in the beginning of the proposal part. The author managed to find many possible ways to improve the e-shop. How to implement them was mentioned at each chapter of the proposal part of the thesis. The suggestions were divided into segments of: Improvement of marketing and social media, Customer service, Webpage changes and Steps for the future implementation. The last-mentioned chapter is described in a more general way and implementation of the suggestions wouldn´t have that big of an impact on the e-shop currently. All the other proposed suggestions will have this contribution for the e-shop: there will be an increase in sales, increase in turnover, increased awareness of the e-shop and of the ADW brand, the e-shop will gain new customers and there will be returning customers as well, the bond and relationship between the customer and the e-shop and brand will strengthen, the process of purchasing goods for the customer will be smoother and more pleasant, the staff of the e-shop will be able to save energy and use it in different departments that will be needed in the situation.

4. CONCLUSION

This bachelor's thesis was focused on an e-shop of an agricultural firm ADW a.s. located in Krahulov in the Třebíč region. The main goal of the thesis was to come up with proposals of possible solutions to improve the e-shop overall. The theoretical part of the paper included the basic knowledge about e-commerce, internet marketing, followed by business model canvas with additional theory about value proposition canvas and the theoretical part is closed with the theory of SWOT analysis a summary of the theoretical part of the paper. The analytical section of the thesis consisted of introduction of the company, analysis of the current business model of the e-shop of ADW, summary of interviews with the e-shop´s manager and the marketing expert for ADW, competition introduction, comparison of the mentioned e-shop with the competition and their e-shops,

mystery shopping and finally SWOT analysis where the author identified strengths, weaknesses, opportunities, and threats.

According to the findings the ADW´s e-shop was lacking in multiple departments which were divided into the following points in the proposal part: Improvement of marketing and social media, Customer service, Webpage changes and Steps for future implementation.

On these findings one large proposal was developed consisting of smaller individual proposals for overall improvement of the e-shop. The first proposal was improvement of the current marketing and social media to reach customers and provide them with relevant content and information supporting purchases. The second proposal was focused on improving of the customer service so the customer will have smoother shopping experience and will be provided with answers to regularly asked questions, rewarded for making repeat purchases and enabling the customer to review the products. The third proposal was focused on webpage changes that will increase customer satisfaction and customer experience when visiting and shopping on the e-shop. The last smaller proposal was focused on the steps that can implemented in the future, but it is not necessary to implement them now.

Metrics to measure success and efficiency of the proposals can be: website traffic and engagement, follower growth on the social media platforms, social media engagement, monitoring sales and turnover statistics.

I sincerely hope that the contribution of my work will be useful if needed to be put in use for planning in building a new e-shop.

For further research, the author recommends measuring customer satisfaction using qualitative and quantitative research and implementing the resulting findings in the creation of a future new e-shop.

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