

Setting Up an Online Store on Amazon UK. Case Company: Finarte Oy.

Oanh Nguyen

Bachelor's Thesis

Degree Programme in

International Business 2019



Abstract

Date 28 May 2019

Author(s)	
Oanh Nguyen	
Degree programme	
International Business	
Report/thesis title	Number of pages
Setting Up an Online Store on Amazon UK. Case Company:	and appendix pages
Finarte Oy.	52 + 1

Global e-commerce business has been growing consistently. Doing business online is necessary for companies that want to grow and sell products across borders. The case company is not an exception.

This is a project based thesis. The objective is to create an online store on the UK Amazon site for the commissioning company, Finarte Oy, which is a rug manufacturer based in Finland.

The project consists of six different project tasks. They are (1) designing a theoretical framework, (2) studying the carpet and rug market in the UK, (3) comparing e-commerce sites to determine the most optimal e-commerce sales platform for the commissioning company, (4) studying the internet audience and consumer shopping habits in the UK, (5) creating a store on Amazon UK, and (6) evaluating the project.

The thesis presents different concepts, from global e-commerce market, online sales platforms, consumer buying behavior, to store setup guidelines. A brief overview of rug and carpet in the UK is also provided in order to give a general understanding of the industry.

A summary of the whole thesis, recommendations, project evaluation, and learning outcomes are provided in the last chapter. The project was implemented from January to April 2019.

Keywords

E-commerce, online store, Amazon, eBay, Fulfilment by Amazon

Table of contents

1	Intro	duction	1
	1.1	Background	1
	1.2	Project Objective	1
	1.3	Project Scope	2
	1.4	Risk Analysis	3
	1.5	International Aspect	
	1.6	Benefits	
	1.7	Key Concepts and Abbreviations	4
	1.8	Case Company	
	1.9	Overview of Carpets and Rugs Market	5
	1.10	Project Summary	6
2	E-co	mmerce	9
	2.1	Overview of E-commerce and Its Classification	9
	2.2	Global E-commerce Market	10
	2.3	Amazon	13
		2.3.1 Amazon at a Glance	13
		2.3.2 Fulfillment by Amazon	14
		2.3.3 Selling on Amazon	16
	2.4	eBay Inc	17
		2.4.1 eBay at a glance	
		2.4.2 Selling on eBay	
3		Internet Audience and Consumer Buying Behavior	
	3.1	Consumer Decision-Making Process	
	3.2	Factors that Influence Buying Behaviour	
		3.2.1 Cultural Factors	24
		3.2.2 Social Factors	25
		3.2.3 Personal Factors	
		3.2.4 Psychological Factors	
	3.3	Online Consumers in the United Kingdom	
		3.3.1 Types of Consumer Shopper	
		3.3.2 Habits of Shoppers	
4		cution	
		E-commerce Platform Comparison	
		Amazon Store Setup	
5		clusions	
	5.1	Summary	
	5.2	Recommendations	
	5.3	Project Evaluation	
	5.4	Reflection on Learning	
		nces	
Λ+	tachn	nont	51

1 Introduction

In this chapter, the author provides general information on e-commerce business and the case company. Project objective and project scope are presented shortly. Additionally, key concepts will be explained in order to help readers understand fully mentioned business concepts.

1.1 Background

Global e-commerce business has been increasing consistently. In 2017, e-commerce gained around \$2.3 trillion in sales and was estimated to reach \$4.5 trillion in 2021 (Shopify 2017). The United Kingdom was the third largest e-commerce market in the world in 2015, according to Statista (Statista 2018). In fact, e-commerce sales in the UK hit 16.9% compared to all retail sales in 2017 (Statista 2018).

It is essential and remarkably crucial for a company to expand its business into the e-commerce sector. Doing business online could bring enormous benefits to companies in comparison to having physical stores. One of the most significant benefits is that companies could sell their products worldwide effectively without increasing operating costs for physical stores. Additionally, e-commerce allows companies to reach a broader audience across borders by utilizing sales and marketing channels. (Forbes 2018.)

1.2 Project Objective

Project objective: this project aims to set an online store on Amazon UK for Finarte In order to achieve the project objective, there are a set of project tasks (PT) needed to be implemented. They are:

- PT 1: Designing a theoretical framework for the project
- PT 2: Studying the carpet and rug market in the UK
- PT 3: Comparing e-commerce sites to determine the most optimal sales platform for the case company
- PT 4: Studying the internet audience and consumer buying behavior in the UK
- PT 5: Setting up a store on the UK Amazon site
- PT 6: Evaluating the project

Table 1 below presents the theoretical framework, project management methods, and outcomes for each project task.

Table 1. Project tasks

Project Task (PT)	Theoretical Framework	Project Management Methods	Outcomes
PT 1: Establishing the knowledge base for the project	Theories about e-commerce, global e- commerce market, knowledge of e- commerce sites	Desktop studies	Definition and types of e-commerce, and a summary of the global e-commerce market
PT 2: Studying rug market and competitors in the UK	Carpet and rug industry	Desktop studies	A brief introduction of rug and carpet market in the UK
PT 3: Comparing e- commerce sites to determine the most optimal sales platform for the case company	Outcome from task 1	Comparing and evaluating	The best platform for the case company
PT 4: Studying the internet audience and consumer buying behaviors in the UK	Theories about the consumer decision-making process, consumer buying behaviors	Desktop studies	Types of shoppers and consumer buying behaviors in the UK
PT 5: Setting up a store on the UK Amazon site	Outcomes from project task 2, and 3	Working on Amazon seller platform	An online store establishment
PT 6: Evaluating the project	Outcomes from task 2, 3, 4, and 5	Summarizing the outcomes, analyzing the whole process and making recommendations	Project evaluation and recommendations

1.3 Project Scope

In order to establish an online store on the UK Amazon platform, a brief introduction of rug and carpet market in the UK will be presented. Additionally, the author will give a general explanation of the consumer decision-making process and factors that influence consumer buying behavior. Types of UK shoppers and their buying behaviors will be analyzed through the thesis.

Different e-commerce sales platforms will be under investigation to determine which platform is the best for the case company even though the company decided to set up the

store on the UK Amazon site. However, the result of the study would be useful for similar case companies. It is significantly essential to mention that the "online store setup" process will be mentioned and explained systematically in the thesis.

In this project, market entry strategies will not be carried out because the case company has decided the sales platform, delivery methods as well as export strategies.

Additionally, a business consultant from the case company will be responsible for market entry, marketing, and sales strategies.

1.4 Risk Analysis

Firstly, insufficient data would be a significant problem if we want to analyze competitors or customer profiles. Finarte does not have a strong customer database, which could be a disadvantage when analyzing consumer types and their buying habits. These problems could be solved by using secondary data from public sources such as Euromonitor International, Asian, and European Business Collection. Additionally, the case company has been collecting data from Google Analytics, which could be useful for customer analysis.

Plus, we do not have access to e-commerce sales platforms before we start the actual project. In other words, there is very little data/information to make online platforms comparison. The solution could be that a real account will be created to get needed information in the target platforms.

1.5 International Aspect

Finarte is a Finnish rug manufacturer with headquarter in Kotka, Finland. The company's first factory was established in Poland and later moved to India. (Finarte 2018.)

Finarte itself is an international company having markets in Europe, Asia, and the US. Additionally, an online store will be created on Amazon UK by a Vietnamese worker, which strengthens the international aspect of the project.

1.6 Benefits

On the one hand, Finarte Oy will gain many benefits by implementing this project. Firstly, the company will have a brief understanding of the carpet and rug industry in the UK as

well as a general picture of the global e-commerce market. It is remarkably essential for the case company to understand the new market before entering. Secondly, an online store will be established on Amazon UK, which helps the case company strengthen its online presence and improve its sales and profitability in e-commerce, especially on Amazon. The online store is now the critical channel, which helps the case company trade across the borders.

On the other hand, the author herself will beneficial for the project as well. First of all, she could get practical hands-on experience in creating an online store on Amazon, as well as improve her market research skills. Additionally, by working for a well-established company like Finarte Oy and doing a project on Amazon, the author will strengthen her work portfolio, which would open up more career opportunities for herself in the future.

1.7 Key Concepts and Abbreviations

Consumer buyer behavior refers to the purchasing behavior of consumers, both individuals, and families who purchase products or services for personal use. (Kotler & Armstrong 2018, 158.)

E-retailer is one type B2C business models, referring to an online version of traditional retail stores, where customers can shop and purchase products online via their devices connected Internet such as mobile or computer (Laudon & Traver 2018, 345).

Abbreviations

FBA: Fulfilment by Amazon

B2B: Business to Business

B2C: Business to Consumer

GSP: Global Shipping Program

1.8 Case Company

Finarte Oy is a family owned company, established by Eija Rasinmäki and Erkki Immonen in 1985, Kotka, Finland. The company is the leading design house for Finnish rugs. Finarte's first manufacturing facility was built in Portugal and then later in the 90s, the factory was moved to India. Today, the company is operating internationally, in Europe, the United States and Asia. (Finarte 2018.)

4

Finarte products are a combination of traditional Finnish weaving heritage and contemporary Finnish design. The products perfectly reflect a balance of heritage and creativity, tradition, and modernity through designs, textures, materials, and shapes. Finarte products are sorted based on different categories, such as collection, style, and material. In the material category, Finarte rugs are divided into four main groups: cotton & cotton blend, wool, viscose, and jute & paper yarn. (Finarte 2018.)

Finarte presents itself as a sustainable rug manufacturer. One of the things that makes the company unique is that 100% of its products are hand-woven, and most of them are used upcycled or recycled materials. In fact, the upcycled materials have been using to produce rugs since 1970. (Finarte 2018.)

1.9 Overview of Carpets and Rugs Market

Carpets and rugs refer to thick pieces of textile that are used for floor covering and home decoration. Typically, carpets and rugs are made from organic fibers (such as cotton, jute, silk or wool) and synthetic materials. (Nazmiyal Antique Rugs 10 January 2018.) The demand for carpets and rugs are divided into three categories: residential buildings, non-residential buildings (such as business, government buildings), and transportation equipment and others. Even though the demand for carpets and rugs varies from country to country, residential buildings are still the largest sector. In 2013, the residential buildings comprised 57% of the global demand for flooring and carpets, whereas non-residential buildings accounted for only 37%. (Journal of Global Economics 2 December 2017.)

In Europe, the carpets market is segmented by product type: knotted, woven, and tufted carpets. Tufted carpets will continue to account for the largest share of the market by 2022, followed by woven ones. However, the demand for woven carpets is projected to overgrow because of the carpets' characteristics such as high dimensional stability, rich color, detailed pattern, and flooring appearance enhancing. (Global Industry Analysts, Inc. January 2019.)

The UK carpet market has steadily increased over the last decades. According to Statista, in 2017, the revenue of manufacture of carpets and rugs in the United Kingdom amounted \$1324.84 million. Similarly, the revenue of retail sale of carpet, rugs, wall and floor coverings grew from \$2488.22 million in 2010 to \$3638.19 million 2015, and it is projected to achieve approximately \$4193.76 million in 2022 (figure 1). (Statista 2019.)

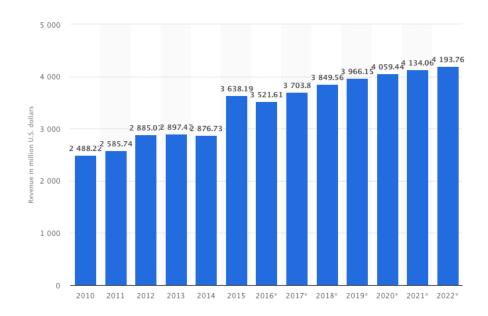


Figure 1. Retail sale of carpets, rugs, wall and floor coverings revenue in the UK from 2010 to 2022 (in million U.S dollars) (Statista 2019)

Tufted and woven carpets are the most popular types in the United Kingdom. In fact, tufted carpets are made by punching the yarn through a woven backing with needles, while woven carpets are made by using a traditional loomed method that is weaving the front and the back of carpets with patterns and colors by hands. The woven carpers are usually more expensive than tufted carpets because the manufacturing process is more time-consuming. (Bespoke Floors Ltd.)

1.10 Project Summary

Figure 2 below demonstrates the flow of the project from the market overview to the store setup.

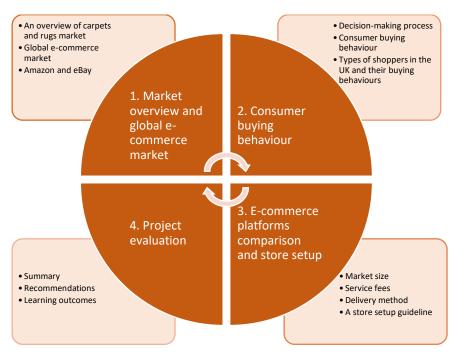


Figure 2. Flow of the project

Based on the project tasks, the project process will be:

1. Market overview and global e-commerce market

This chapter will give audiences a general picture of the carpet and rug industry in the UK and insightful understandings of the global e-commerce market and e-commerce sites.

2. Consumer buying behavior

This chapter will explain a diversity of concepts, such as the decision-making process, factors that influence consumer buying behavior. Later in the chapter, insightful analysis of the UK online audiences and their buying behaviors will be discussed throughout.

3. Online sales platforms comparison

This chapter will introduce shortly about different online sales platforms such as Amazon, eBay. Later in the chapter, a comparison on market size, using fee and other features will be presented to figure out what will be the most optimal sale platform for the case company.

- Overview of online sales platforms
- Market size
- · Price and fee
- Delivery method
- Other outstanding features

A general guideline on how to establish a store on Amazon UK will also be illustrated in this chapter.

4. Project evaluation

This chapter will give a summary of the thesis. In addition, project evaluation, recommendations, and reflection on learning will be shortly provided.

2 E-commerce

Chapter 2 describes a general picture of the global e-commerce market and a short explanation of the e-commerce concept. Additionally, the author provides a summary of Amazon and eBay, including service fees, and delivery programs. The advantages and disadvantages of each type of the shipping program are explained during the chapter.

2.1 Overview of E-commerce and Its Classification

Through this thesis, **e-commerce** is defined as electronic commerce or internet commerce, which describes the process of buying and selling, or exchange products, services, information using the internet. Typically, e-commerce often refers to the sales activities of physical products through online stores. (Mourya & Gupta 2014, 23.)

E-commerce has been snowballing since it first started over decades ago. It has entirely revolutionized the retail sector and transformed how traditional organizations do business. Nowadays, retail e-commerce continues proliferating worldwide, with a global growth rate of over 20% for the last few years (Laudon & Traver 2018, 55). One of the most significant factors that fuels the growth of e-commerce is technology. Social networks such as Facebook, Instagram has strengthened e-commerce by providing paid search and advertising. Figure 3 illustrates that global sales in retail e-commerce increased steadily to \$2,304 billion in 2017, and predicted to achieve up to \$4,878 billion in 2021 (Statista, 2019).

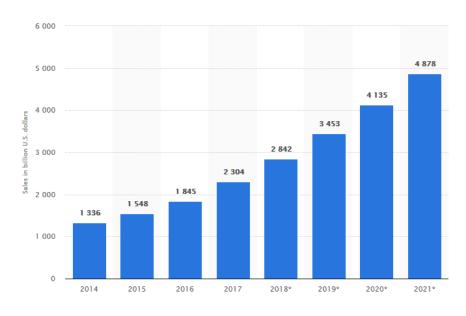


Figure 3. Retail e-commerce sales worldwide 2014-2021 (Statista, 2019)

In the literature, six primary types of e-commerce are defined

- Business-to-consumer (B2C) e-commerce refers to a popular type of ecommerce in which online businesses (companies) focus on selling products to individual consumers.
- Business-to-business (B2B) e-commerce is the most significant form of ecommerce, referring to online business transactions in which businesses focus on selling products/services to other businesses.
- Consumer-to-consumer (C2C) e-commerce is a form of e-commerce in which
 consumers could sell their products online via e-commerce sales platforms such
 as eBay or Amazon. In C2C e-commerce, the consumers have to take care of all
 of the selling processes, from preparing products to shipping products to end
 customers.
- Mobile e-commerce is also known as m-commerce, referring to the use of mobile
 devices that enable online transactions, including the purchase and sales of
 goods, online banking, and bill paying.
- Social e-commerce refers to an e-commerce type that enables online commercial transactions by using social media such as Instagram, Facebook, and Twitter to promote online sales.
- Local e-commerce is a form of e-commerce that focuses on local consumers who
 live in a specific region. In the local e-commerce type, local merchants attempt to
 engage and drive a local consumer to their stores by using diverse online
 marketing strategies.

(Laudon & Traver 2018, 62-66.)

In this study, we focus on analyzing B2C e-commerce because of the background of the commissioning company and the objective of the project.

2.2 Global E-commerce Market

According to e-commerce report 2019, China, the US, and Europe are the three largest e-commerce market in the world. Fashion is the most significant segment with revenue of \$524.9 billion, followed by "electronics and Media", and "Toys, Hobby and DIY" segment. (Statista Digital Market Outlook 2018.)

China is the largest e-commerce market and the fastest growing e-commerce market in the world with 35% of annual growth (Edquid 22 February 2017).

• Annual online sales: \$672 billion (Edquid 22 February 2017).

- E-commerce share of total retail sales: 15.9% (Edquid 22 February 2017).
- Top e-commerce retailers: Alibaba, AliExpress, JingDong (JD) (Orendorff 26 June 2018).
- Number of users in e-commerce market: 1003 million (Statista 2018).

United States

- Annual online sales: \$340 billion (Edguid 22 February 2017).
- E-commerce share of total retail sales: 7.5% (Edquid 22 February 2017).
- Top e-commerce retailers: Amazon, Best Buy, eBay (Orendorff 26 June 2018).
- Number of users in e-commerce market: 259 million (Statista 2018).

United Kingdom

- Annual online sales: \$99 billion (Edquid 22 February 2017).
- E-commerce share of total retail sales: 14.5% (Edquid 22 February 2017).
- Top e-commerce retailers: Amazon UK, eBay UK, Etsy UK (Orendorff 26 June 2018).
- Number of users in e-commerce market: 53 million (Statista 2018).

Japan

- Annual online sales: \$79 billion (Edquid 22 February 2017).
- E-commerce share of total retail sales: 5.4% (Edquid 22 February 2017).
- Top e-commerce retailers: Amazon Japan, Rakuten (Orendorff 26 June 2018).
- Number of users in e-commerce market: 101 million (Statista 2018).

Germany

- Annual online sales: \$73 billion (Edquid 22 February 2017).
- E-commerce share of total retail sales: 8.4% (Edguid 22 February 2017).
- Top e-commerce retailers: Amazon Germany, eBay Germany, Otto (Orendorff 26 June 2018).
- Number of users in e-commerce market: 64 million (Statista 2018).

E-commerce in the United Kingdom

The United Kingdom is the third largest e-commerce market in the world in 2015 (Statista). Every year, UK shoppers spend approximately \$1650 on online shopping (Piepenbrock 13 March 2019).

Figure 4 presents the number of visitors in the most popular e-commerce websites in the UK in March 2016. Obviously, Amazon is ranked in the first place with 24,189 visitors, outnumbering eBay with 18,140 visits. (Statista 2019.)

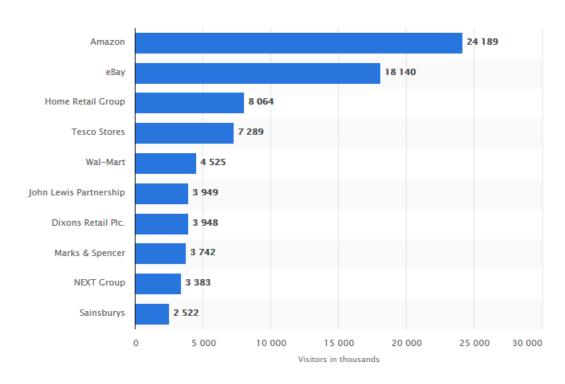


Figure 4. E-commerce websites ranked by a number of visitors in the UK in March, 2016 (Statista 2019).

Amazon

300+ million active accounts on Amazon.com (Amazon Services).

689+ million monthly visits to Amazon.com (Murtagh 2018).

14 Amazon sites worldwide (Amazon Services).

Customers span 180+ countries (Amazon Services).

eBay

180+ million active users (eBay Inc.).

221+ million monthly visits to eBay.co (Murtagh 2018).

21 eBay sites worldwide (eBay for Business).

Customers span 190 countries (eBay Inc.).

Obviously, Amazon and eBay are the most popular e-commerce sites in the UK. Therefore, Amazon and eBay will be analyzed, particularly throughout this thesis.

2.3 Amazon

A study found that approximately 90% of consumers in the UK are using Amazon, and 40% of that are subscribing Amazon Prime (Butler 7 March 2019). Therefore, in this subchapter, the author focuses on analyzing Amazon, Amazon Prime, and Fulfilment by Amazon.

2.3.1 Amazon at a Glance

Amazon.com Inc is a global company based in the US that focuses on e-commerce, cloud computing, and artificial intelligence. It was founded by Jeff Bezos in 1994 in Seattle, Washington. Amazon has grown from an online bookstore and now become one of the most valuable companies in the world. It is the world's largest internet retailers and cloud computing platform. In five years, from 2011 to 2016, Amazon managed to increase its market share in the internet retailing sector from 17% to 24% (Euromonitor International 2017, 4).

In 2008, Amazon had only six international markets, ten years later, Amazon is operating in 18 foreign countries (Berg & Knights 2019, 2). The figure 5 displays the amount of sales (in USD billion) of Amazon in a variety of countries in 2016, in which sales value in the US was the highest with 102.8 billion USD, followed by the UK, and Germany, with 19.5 and 18.0 billion USD respectively (Euromonitor International 2017, 16).

Country	Flag	Population (million)	Sales (USD billion)	Local Internet Share	Local Internet Ranking
US		322	102.8	33%	1
Canada	I+I	36	1.8	10%	1
France		64	3.8	11%	1
Germany		81	18.0	41%	1
Italy		61	1.4	14%	2
Spain	-®	46	0.6	8%	1
UK		65	19.5	27%	1
Mexico	0	127	0.3	6%	3
Japan	•	127	14.7	20%	1
India	-	1281	2.6	12%	3
China	*>	1368	4.7	1%	6
World		7,301	277.8	23.9%	1

Figure 5. Amazon Sales by Region 2016 (Euromonitor International 2017, 16).

Amazon Prime is an Amazon subscription membership service published the first time in 2005, the United States. Prime membership provides access to various Amazon exclusive services such as one-day delivery, free shipping, premium video streaming services, and best Prime day deals. In 2016, Amazon Prime's revenue gained \$6.4 billion, and nowadays, it has more than 100 million paid subscribers around the globe. (Hobbs 16 February 2017.) With Amazon Prime, customers could enjoy free shipping with no minimum purchase requirement. The Amazon founder, Bezos wanted to delivery "fast and free shipping service" as a daily experience. Amazon Prime service brings incredible results, which are "higher spend, shopper frequency and retention" because Aaron Perrine, Amazon general manager stated customers come for shipping but stay for digital. (Berg & Knights 2019, 18-29.)

2.3.2 Fulfillment by Amazon

Fulfillment by Amazon (FBA) is an Amazon solution that helps Amazon customers (companies) deliver products to end customers. In other words, Amazon will help to pick, pack, and ship the products from Amazon's fulfillment centers to end consumers as well as provide customer service along with the products. (Amazon Services.)

When using FBA service, sellers can send all their inventories to Amazon's fulfillment centers and store there even before the items are sold, and Amazon will take care of the rest. With this service, Amazon will charge the sellers two types of service fee: fulfillment fee and storage fee. The fees are variable, depending on weight, size, and dimensions of products. (Amazon Services.)

Fulfillment fee is a flat fee, charged per unit, based on the product type, dimension, and weight (standard-size or oversize). The fulfillment fee includes all the logistics services (such as packing, shipping, and order handling), customer service, and product returns. Fulfillment fee varies, depending on the dimension and weight of the product as well as the marketplace that the product is sold. (Amazon Services.)

Storage fee is charged monthly based on the volume of the item (measure in cubic foot or cubic meter) and calendar month. For example, the storage fee from January to September is £0.65 per cubic foot per month, and from October to December is £0.91 per cubic foot per month. (Amazon Services.)

Advantages and disadvantages of Fulfilment by Amazon

Advantages:

FBA service brings several benefits to Amazon sellers. First, when businesses are using FBA service, they will earn Prime badges, which indicate their products are eligible for Prime two-day shipping and Amazon free shipping. To make it clear, their products are listed on the Amazon website with the Prime logo, which is a sign indicating that Amazon is in charge of logistics, shipping handling, and customer service. Amazon claims that products that have the Prime logos could be seen at first place by millions of Amazon customers and it is beneficial for businesses. (Amazon Services.) Consumers choose Amazon to shop because of three main reasons: competitive price, free shipping, and convenience (Epsilon 2018). According to CIRP (Consumer Intelligence Research Partners), Amazon Prime subscribers spend approximately \$1300 per year, much more than non-subscribers, who spend about \$700 (Kline 19 January 2018). Secondly, since FBA service includes logistics and shipping handling, customer service, and returns, businesses would save a lot of time and money. Amazon helps the sellers pick, pack, ship orders, and provides 24/7 customer service support through phone, email, and chat. The sellers could take advantages of Amazon warehouses that lie around the globe. (Carragher 2018.) Finally yet importantly, FBA service allows an Amazon seller to sell its products across Europe easily with faster delivery and less complex logistics. This feature brings a significant advantage to businesses who are using FBA because the businesses could reach millions of customers and deliver products in a faster speed. (Amazon Service.)

Disadvantages:

Even though there are several advantages that businesses could benefit from FBA service, there are also limitations that should be considered before using the service. Firstly, the most considerable issue would be service fees because Amazon charges various fees for using the FBA service such as fulfillment fees, and storage fees, which are very costly if inventories are stored in Amazon storages for a long time. The longer the inventories are kept in the warehouses, the higher the fees will be. (Carragher.) Despite the fact that Amazon is in charge of the whole shipping and handling process, before sending the inventories to the fulfillment centers, the sellers will have some additional work, which could be time-consuming (Hufford 15 January 2018). For instance, extra tasks could be product labeling, shipment, and shipment delivery. Lastly, using FBA could reduce brand awareness of customers towards businesses. To clarify, when picking, packing, and shipping products to end consumers, Amazon uses its own branded boxes that have Amazon label. That means that e-commerce sellers will miss out chances to gain brand exposure to their customers. (E-commerce Guider.)

2.3.3 Selling on Amazon

Amazon offers two types of selling plan: basic and professional (figure 6). The basic plan is designed for sellers who are planning to sell less than 35 items per month. With the basic plan, there is no subscription fee; instead, Amazon will collect per item fees (£0.75 per item sold). Whereas, the professional selling plan is designed for business sellers who intend to sell more than 35 items per month. With the professional plan, the business sellers have to pay £25 as a monthly subscription fee. However, one of the benefits of choosing the professional plan is that there is no per item fees, sellers can list as many items as they want. (Amazon Services Europe.)

		Recommended plan
	Basic Sell a little	PROFESSIONAL Sell a lot
Designed for sellers who plan on selling	Fewer than 35 items per month	More than 35 items per month
Key plan benefits	Pay only when you sell something	Best value for volume sales
Monthly Subscription Fee	None	£25 (excl. VAT)
Selling Fees	£0.75 (per item sold) + additional fees*	additional fees*
*For detailed fees reference: Seller Central Fee Schedule	Basic account	Professional account

Figure 6. Amazon selling plans (Amazon Services Europe)

Besides the subscription fees, there are some other additional fees that apply to the sellers, depending on the categories, and selling products. For example, the additional fees could be referral fees and closing fees.

A referral fee is charged per item by Amazon, as a percentage of the final sale price, including delivery, gift wrap, and other charges (Fabregas, K. 13 March 2018). Referral fees vary from 7% to 25%, depending on the product categories (Amazon Seller Central).

A closing fee is a flat fee that is charged for items in the media categories, for example, books, music, video, and DVD. On the UK Amazon site, a closing fee of £0.50 is charged per media item. (Amazon Seller Central.)

2.4 eBay Inc.

In this subchapter, the author presents shortly about eBay and Global Shipping Program, which is one of eBay's outstanding features. Additionally, the benefits and drawbacks of the shipping program are discussed. Selling fees charged by eBay are also explained during the subchapter.

2.4.1 eBay at a glance

eBay Inc. is a multinational technology company, founded in 1995, in California, the United State (Statista 2018). It is known initially as Auction Web and changed its name officially to eBay in 1997. The core product of the company is its e-commerce marketplace, which allows buying and selling merchandise worldwide. For that service, the company generates revenue by charging sellers via listing, selling, and advertising fees. In the US, eBay Inc. is the second biggest internet retailer, following Amazon, which is the largest e-commerce company. (Euromonitor International 2018.) In 2019, eBay has 179 million active buyers from 190 markets, 1.2 billion active listings, and 447 million app downloads (eBay Inc. 2019).

In 2018, eBay gained 10746 million in net revenue, increasing 30% compared to net revenue in 2013 (figure 7) (Statista 2019).

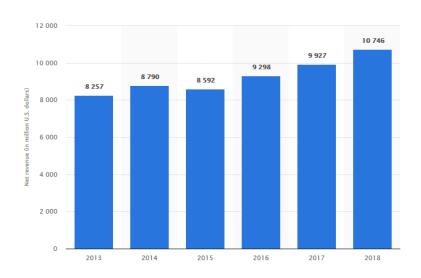


Figure 7. Annual Net Revenue of eBay Inc. from 2013 to 2018, excluding PayPal. (Statista 2019)

Global shipping program (GSP)

eBay provides an international delivery service called "Global shipping program". It is designed to streamline the international shipping process for eBay's sellers. With the program, customers could eliminate all hassle and complexity of international shipping and handling process. To put it simply, when an item is sold, the seller sends the product to the shipping centers, and eBay will take care of the rest. When the item arrives in the shipping center, eBay will ship the product to end customer and be in charge of tracking and customs process. (eBay Seller Centre.) With the GSP, sellers could reach millions of potential buyers and sell products in more than 100 countries. GSP helps sellers increase their sales by up to 15%. (eBay Seller Centre). The sellers will not be charged any fees when using the service; instead, the cost of GSP will be generated automatically based on the item's size, weight, category, and destination and will be paid by the buyer (Gemma 19 March 2015).

Benefits of GSP

The most significant advantage of using GSP is cost-free. eBay sellers do not need to pay anything for the program, except standard selling fees (section 2.4.1) and PayPal transaction fees (eBay Inc.). Additionally, with the GSP, sellers could reach more international potential buyers, and reduce the complexity of the international shipping process because eBay takes charge of customs duties, taxes, and shipping organizing (Fazackarley 8 February 2019). Besides the mentioned benefits, sellers will be protected by eBay from negative or neutral feedback if the items are lost or damaged during the shipping journey and get 5 stars shipping rate when providing free shipping to the eBay's global shipping center. (eBay Inc.).

Drawbacks of GSP

Despite the benefits of GSP, there are some drawbacks that sellers should consider before starting. Firstly, in order to use the GSP service, sellers have to meet several specific criteria that eBay requires:

- A seller rating is above standard or higher.
- The items must be physically in the country that has eBay shipping centers (for example, UK).
- The items must be listed on the local site where the items are physically located (for example, eBay.co.uk).
- The items must be legal and eligible for trading.
- The sellers must use PayPal as a payment method.

- The items must meet the requirements of the weight, dimensions, and sales price restriction.
- Items listed in some restricted categories are not supported for GSP, for example, fragrances in health and beauty category.

(eBay Inc.).

Secondly, sellers could only use GSP as a delivery service. It means sellers can only ship items to eBay shipping center when orders are made (eBay Inc.); unlike FBA of Amazon, which allows sellers to send and store inventories in Amazon's warehouses. Even though eBay does not charge sellers any fees, the buyers have to pay two types of delivery fees: fees charged for shipping the items to eBay's shipping center, and other ones charged for international shipping fees including custom fees and other related fees. These fees raise the cost of the item and make the overall shipping process more time-consuming. (Gemma 19 March 2015.) International customers complain that GSP makes the final price more expensive and they often look for sellers who offer the direct shipping method because it is much cheaper compared to the one that eBay offers (Wells 5 January 2019).

2.4.2 Selling on eBay

Similarly to Amazon, eBay also offers monthly subscription plans for business sellers. The sellers could choose from three different packages, which are basic, featured, and anchor with a monthly fee at £25, £69, and £399 respectively on the UK eBay site. With the shop subscriptions, eBay claims on its website that the sellers will get several benefits, for example, reduced fees, customizable shopfront. (eBay Inc.)

Depending on the types of a subscription plan, two main types of selling fees: insertion fees and final values fees will be collected accordingly. (eBay Inc.)

Insertion fees are charged when sellers create product listings. The fee is usually charged per listing and per category, regardless of the number of items. If the seller lists the same listing in two different categories, then the seller has to pay two different insertion fees. (eBay Inc.)

Final value fees are charged when the items are sold. A final value fee is calculated based on the total amount that the buyer pays, including the final price of the item, shipping, handling fees, and other charges. (eBay Inc.)

It is important to note that referral fees (a term used by Amazon) and final value fees (used by eBay) mean the same thing in this thesis.

3 The Internet Audience and Consumer Buying Behavior

This chapter aims to provide a basic understanding of internet audiences and consumer buying behavior briefly. The chapter begins with an explanation of the consumer decision-making process, consisting of five distinct stages. Later in the chapter, the author attempts to bring up an in-depth look of the topic, which is factors that influence their purchasing behaviors. Lastly, the chapter gives a practical look at shopper types in the United Kingdom as well as their online shopping habits.

3.1 Consumer Decision-Making Process

Unique products, eye-catching packaging, and creative advertising are not sufficient to get people's attention. Every consumer responses things in different ways because each of us is a unique and unreplaceable individual. In order to generate an effective digital marketing strategy, and satisfy consumers' needs, it is indispensable for marketing specialists to understand the concept of the buying process and how it influences consumer buying behaviors.

Throughout this thesis, the term "consumer decision-making process" refers to a method used by marketers and strategists to identify and track what, how and when a consumer buys a product or service as well as factors that affect consumer buying behaviors (Burk Wood 2017, 52). Even though this process seems to be clear and straightforward, in fact, it is not merely what occurs at the time that a buyer makes a purchase and receive goods but an ongoing process (Solomon 2018, 29). Figure 8 presents the consumer decision-making process, beginning with the discovery of a need or a desire, going through three essential stages of the buying process (searching for information, appraising the alternatives, making purchasing decisions), and ending with evaluating purchase results. In every stage of the purchasing process, marketers could influence the decisions of consumers by understanding what drives customers' behaviors (figure 9). (Burk Wood 2017, 53.)



Figure 8. Consumer decision-making process (Burk Wood 2017, 53)

Need recognition: The buying process starts when buyers recognize problems or needs that need to be satisfied, for instance: feeling of being thirsty, or hungry, or feeling of buying a new car when your neighbor has a more beautiful car than you. Most of the needs occur spontaneously, and the next stage, "information search" only happens when the needs arise into levels high enough that the buyers could take actions. In this stage, marketers could encourage consumers to see their needs by creating creative advertising campaigns to get their attention. (Solomon, Marshall & Stuart 2018, 186.)

Information search: once the buyers recognize their needs/problems, buyers will start searching appropriate information, which helps them to make several right solutions for their needs/problems. The buyers could obtain information from a diversity of sources such as public sources (mass media, social media, and online search), commercial sources (paid search, advertising), personal sources (family members, friends) or experiential sources (Kotler & Armstrong 2018, 176). In this stage, particularly when the buyers use the Internet to search for information, it is a great chance to approach customers because they are actively looking for relevant information related to their needs. Marketers should utilize online marketing tools to provide useful and interesting information to potential customers. For instance, people often use Google as a search engine tool to seek for information, in this case, marketers could use a marketing technique called "Search engine optimization" to make the search results appear on the first pages and catch consumers' attention. Other marketing techniques that could be used are paid search and paid advertising. (Solomon & al. 2018, 187-188.)

Evaluation of alternatives refers to the third stage of the buyer decision-making process in which the buyers will utilize the collected information on the previous stage to evaluate all the alternative options based on some certain criteria in order to select the best solution for their needs/problem. However, the evaluation process is quite complex because consumers evaluate the alternatives depending on many factors (figure 9), for instance, buying situation or personal preference. Sometimes, it happens that the consumers do not spend so much time on information searching and alternative evaluation because they make buying decisions on impulse and rely on intuition. (Kotler & Armstrong 2018, 176.) In order to succeed in consumer influence, it is vital to understand the evaluation criteria that consumers use to compare and evaluate alternatives. Solomon suggested marketing strategists to research to identify the most important characteristics that consumers use to evaluate alternative solutions. (Solomon & al. 2018, 187-188.)

Purchase decision: after considering all the alternatives in the evaluation stage, consumers will make decisions on what product or solution they want to purchase. In this purchase decision stage, two factors could affect the purchase intention and purchase decision, which are attitudes of others and unexpected situational factors. The former, "attitudes of others" means your decision could be influenced by opinions of somebody important to you such as family members or friends, for example, if your spouse suggests you should buy a cheap car instead of an expensive one, then there is a possibility that you will purchase a cheap car. The latter, "unexpected situational factors" refers to unexpected events which may change the purchase decisions of the consumers. To give an instance, unexpected events such as job loss or financial crisis would lead to a change in your purchasing decision. (Kotler & Armstrong 2018, 177.)

Evaluation of purchase results is the last stage in the consumer decision-making process in which the buyers will evaluate how satisfied or dissatisfied they feel about the purchase decision. This stage refers to the evaluation of the general feeling and attitude of consumers after purchasing. (Solomon & al. 2018, 189.) So, what determines the satisfaction of the consumers? Kotler and Armstrong claimed that it is all about the differences between the consumer's expectation and product's perceived performance. To clarify it, if the product does not deliver its promises or meet the consumer's expectation, the consumer will be disappointed, and vice versa. For marketing specialists or advertising professionals, it is indispensable to deliver what the brand or product promises consumers. (Kotler & Armstrong 2018, 177-178.)

3.2 Factors that Influence Buying Behaviour

To have an insightful understanding of the consumer decision-making process, it is necessary for marketers to interpret what factors influences consumers' buying decisions in the purchasing process. There are a variety of factors could affect the buying behaviors of a consumer, Armstrong, and Kotler argue that the factors influencing consumer buying behaviors fall into four significant categories: cultural, social, personal and psychological (figure 9). (Kotler & Armstrong 2018, 159.)

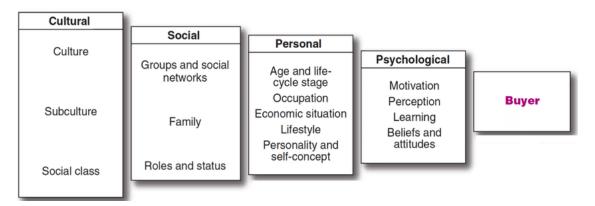


Figure 9. Factors influencing consumer behavior (Kotler & Armstrong 2018, 159)

3.2.1 Cultural Factors

The cultural category consists of three factors: culture, subculture, and social class (Kotler & Armstrong 2018, 159).

Culture

Culture is a significant factor that plays an important role in the buying decision-making process. Culture is a society's personality. It consists of both abstract ideas and material objects and services (Solomon 2018, 515). In other words, culture is a collection of basic values, perceptions, beliefs, desires, and behaviors that are learned by members of the society. Our culture determines how we perceive and value things. Every society has a unique culture and influences of culture on consumer buying behavior varies from country to country. (Kotler & Armstrong 2018, 159.) Changes in culture often generate opportunities for businesses. Marketing specialists should be aware of changes and new trends that happen in society, in order to discover consumer desires for new products and services and identify potential markets. For example, a change in society toward sustainability will create a larger demand for green and environmentally friendly products such as organic foods or electric car. (Ekström, Ottosson & Parment 2017, 71.)

Subculture

Each culture comprises smaller cultures called subcultures. Subculture refers to a group of people who share the similarity in values, beliefs, or characteristics, such as religions, ethnical groups, and geographic regions. (Solomon & al. 2018, 200.) For instance, there are three main subculture groups in America: Hispanic American, African American, and Asian American. Each group represents a distinctive set of beliefs and characteristics. Understanding subcultures helps marketers tailor products and marketing strategies based on subculture groups' needs. (Kotler & Armstrong 2018, 160.)

Social class

Social class is an overall ranking of a group of people who share the similarity in values, interests, and behaviors. Social class is determined by different factors such as occupation, education, income, wealth, and other variables in the society. Usually, people in the same social class have similar tastes in fashion, lifestyle, or leisure activities. Products and services often are designed for a particular social class because people in the same social class have the tendency to share the similarity in buying behavior. (Kotler & Armstrong 2018, 162.)

3.2.2 Social Factors

The social category contains three elements: groups and social networks, family, and roles and status (Kotler & Armstrong 2018, 162).

Reference group

Groups have big impacts on people's behavior. A reference group is an individual or a group of people who has a significant effect on the attitudes and behaviors of an individual. A reference group is also a group that a person desire to belong, please or imitate. Marketers often try to target to the reference groups because consumers often are influenced by these groups. Whenever consumers decide what to buy, or where to go, they refer to these groups. (Solomon & al. 2018, 201.) The reference groups could be celebrities, politicians, influencers, or well-known individuals who set trends on various aspects of consumption such as sustainability, environmental issues, or fashion. The reference groups have a considerable impact on consumers' behavior, attitude, and lifestyle. (Ekström & al. 2017, 73.)

Social networks

Last several years, online social networks have changed the way people communicate.

Online social networks are online communities where people can socialize, share information, and opinions. Online social networks could be blogs, social media sites (Facebook, Instagram), online shopping sites (Amazon, eBay, Etsy), brand communities, and other online forums. Marketers utilize these social networks as marketing tools to promote products and build relationships with customers. (Kotler & Armstrong 2018, 163.)

Family

Family members could have a large impact on consumer behaviors. Recent studies show the change in roles of a family member in a household influences their purchasing behaviors of different types of products. For example, in the United States, wives are typically responsible for purchasing basic goods such as food, clothing, and household products. However, the roles in the family have changed since more women are working outside the home, and husbands are willing to do more housework. A survey shows that 41% of men are mainly in charge of grocery shopping, and 31% are responsible for doing laundry. Whereas, at the same time, women are spending more money on new technology devices and cars. (Kotler & Armstrong 2018, 163.) Changes in demography, household roles, and attitudes have shifted interests in selling products that have traditionally been sold only to men or women, to the opposite sex (Ekström & al. 2017, 73).

Social roles and status

An individual usually belongs to several different groups, such as family, clubs, workplace, and organizations. The person in different groups will show different identities and images in order to fit his/her social roles and status in the groups. That influences the buying behaviors of the person because people often choose products that reflect their roles and status. For example, a woman can be a mother at home, and a marketing manager at work. In the role of a marketing manager, she will buy clothes and shoes that could reflect her roles and status in the company. (Kotler & Armstrong 2018, 164.)

3.2.3 Personal Factors

Buying and consumption behavior is influenced by personal characteristics such as age and life stage, occupation, lifestyle, personality, and economic situation (Kotler & Armstrong 2018, 167).

Age and life stage

Changes in choices of goods and services are often related to changes in age and stage in life. Life-stage and age changes could lead to significant changes in people's buying behaviors. To put it differently, life stage changes are often outcomes of changes in demographics and life-changing events such as people get married, have babies, or move to new houses. Understanding changes in the life stage of people could help marketers target right audiences, and create compelling and personalized marketing campaigns that connect consumers and brands. (Kotler & Armstrong 2018, 167.)

Occupation

Occupation of a person could affect the choice of goods and services that he/she buys or consumes. For instance, people are in high positions such as CEO, and marketing specialists are likely to buy and wear suits than blue-collar workers who tend to buy and use more rugged work clothes. Identifying occupations of consumers helps companies design and produce particular products that need for that specific segmentation. (Kotler & Armstrong 2018, 167.)

Economic situation

An individual's financial situation could influence his/her purchasing and consumption decision, especially when it comes to large purchases. The most important factors that influence one's behaviors are income, savings, and interest rates. The economic situation becomes more obvious and significant when economics is going down. (Ekström & al. 2017, 76). Paying attention in changes in spending, personal incomes and interest rates could help companies follow the trends, redesign and reprice their products and services to create more value for customers (Kotler & Armstrong 2018, 167).

Lifestyle

Even though people have the same background (subculture, social class, occupation), it is not necessary that they have the same lifestyles. Lifestyle is a living pattern that an individual express through his/her activities (work, hobby, shopping, sports), interests (music, food, fashion) and opinions (about social issues, sustainability, companies). The concept of lifestyle captures something more than just someone's personality or social class. (Kotler & Armstrong 2018, 168.) Lifestyle reflects an individual's way of living (Ekström & al. 2017, 76). Marketers could utilize the concept of lifestyle to make a segmentation that targets groups of consumers having a particular lifestyle.

Personality and self-concept

Every individual has a unique and distinct personality that affects his/her purchasing behaviors. Personality refers to the psychological characteristics, which differentiate one person to another. It is often expressed in terms of personality traits such as self-

confidence, sociability, or adaptability. In addition, Kotler & Armstrong argue that brands also have personalities, and people tend to choose products and brands that match their personalities. Understanding the "personality" factor allows marketers to match right products and brands to the right audiences. (Kotler & Armstrong 2018, 168-169.)

3.2.4 Psychological Factors

Consumer buying behaviors are influenced by four main psychological factors: motivation, perception, learning and, beliefs, and attitudes (Kotler & Armstrong 2018, 169).

Motivation

A person often has diverse needs such as biological (hunger, thirst), psychological (a need for recognition, affirmation, and belonging) (Ekström & al. 2017, 76). A need become a motive or a drive when it raises to a sufficient level of intensity. A sufficient need will direct person seek for need satisfaction. For example, when you are hungry, you seek for food to satisfy the hunger. Sigmund Freud assumed that people are unconscious about the actual psychological forces that shape their behaviors, and their purchasing behaviors are influenced by the subconscious motivations that they do not completely acknowledge. (Kotler & Armstrong 2018, 169). In addition, Kotler & Armstrong argued that buyers often do not know and cannot explain why they do what they do because they don't fully understand the drives that direct their buying behaviors. Many companies hire experts such as psychologists, anthropologists, and scientists to understand motivations, emotions, and behaviors of consumers toward brands (Kotler & Armstrong 2018, 169-171).

Perception

People learn information through same five senses: sight, hearing, smell, touch, and state, and the process by which people select, organize, and interpret the information which are stimuli from sensory receptors is called perception. People can form different perception from the same stimulus because during the perception process, there are three perceptual stages that affect the perception forming: selective attention, selective distortion, and selective retention. (Kotler & Armstrong 2018, 172.) According to Kotler & Armstrong, the three perceptual processes are defined:

- Selective attention refers to the tendency for people to screen out most of the information to which they are exposed (Kotler & Armstrong 2018, 172).
- Selective distortion describes the tendency of people to interpret information in a way that will support what they already believe (Kotler & Armstrong 2018, 172).
- Selective retention means that consumers are likely to remember good points made about competing brands (Kotler & Armstrong 2018, 172).

With selective attention, marketing specialists have to work particularly hard to attract their attention since they are likely to get attracted to most of the things. People with selective distortion, they tend to forget what they learn, and only memorize information that supports their attitudes and beliefs. Depending on types of the perceptual processes, markets must generate right approaches to send the messages to right audiences. (Kotler & Armstrong 2018, 172.)

Learning

Changes in an individual's behaviors resulted from experience are called learning. Learning occurs through a mix interaction of drives, stimuli, cues, responses, and reinforcement. Beginning with a drive, which is a strong internal stimulus that calls for action. When an intense drive becomes a motive, it will direct the consumer toward a stimulus object. The consumer's responses to the idea of buying an object/a product are conditioned by cues such as when, where, and how the individual reacts to the stimuli. These stimuli could affect the purchasing decision of the consumer. If the buyer purchases the product, there will be either rewarding or unrewarding experience after consuming. If the experience is satisfying, the consumer is likely to use the product more often. In this case, the consumer's response will be reinforced, he/she is likely to seek for the same product or the same brand when he/she needs something similar next time. (Kotler & Armstrong 2018, 173.)

Beliefs and attitudes

People's beliefs and attitudes influencing purchasing behavior are obtained through learning and doing. According to Kotler & Armstrong, a belief is defined as a descriptive thought that an individual has toward something. In fact, beliefs may be based on actual knowledge, opinion, or faith. (Kotler & Armstrong 2018, 173.)

The term "attitude" refers to an individual's evaluations, feelings, and tendencies towards an object in a consistent way. It is especially difficult to change somebody's attitude after it fits into a consistent pattern. Changing someone's attitude requires a lot of work and adjustment in many others. As a consequence, marketing professionals often attempt to fit products into existing attitude patterns, rather than change them. (Kotler & Armstrong 2018, 173.)

3.3 Online Consumers in the United Kingdom

In this subchapter, five main types of shoppers in the UK are brought up. In addition, the buying habits of the shoppers are discussed throughout.

3.3.1 Types of Consumer Shopper

Many companies analyze the consumer buying behavior and identify market segmentation by using only demographic factors (age, gender, occupation, and income) rather than focus on personality, or buying habits. A recent research was conducted by among 16300 participants in nine different countries, it aims to identify key consumer types and investigate their shopping habits. The research goes beyond the traditional demographic-based segmentation, it classifies consumers based on shared shopping habits and personal preferences such as status concern or green claims (Hardy, Powell & Macrury 2018, 151).

Figure 10 illustrates the proportion of five main groups of consumers in the United Kingdom, along with figure 11 demonstrating top traits of each group.

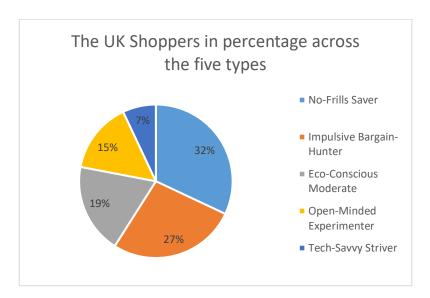


Figure 10. Five key types of UK shoppers distributed in percentage (Euromonitor International 2016)

Apparently, "no-frills saver" is the largest group (figure 10), accounted for 32%, whereas "tech-savvy striver" is the smallest one, with 7%. Impulsive bargain hunters, ecoconscious moderators, and open-minded experimenters comprise 27%, 19%, and 15% respectively. Each group shares different shopping habits and personal preferences,

which should be considered when marketing strategies implemented. For instance, techsavvy strives are conscious about status, whereas eco-conscious moderate buyers concern about green claims and issues associated environment. (Euromonitor International 2016.)



Figure 11. Key traits of the five shopper types in the UK (Euromonitor International 2016)

3.3.2 Habits of Shoppers

In order to make the most suitable marketing strategy for each type, understanding the habits of the consumers is greatly important.

The figure below (figure 12) demonstrates the process that UK shoppers experience every time they go shopping. The shopping process has roughly seven stages, starting with "before the store" stage and ending with "online checkout". (Euromonitor International 2016.)



Figure 12. The shopping habits of the UK consumer (Euromonitor International 2016)

1. Before the store

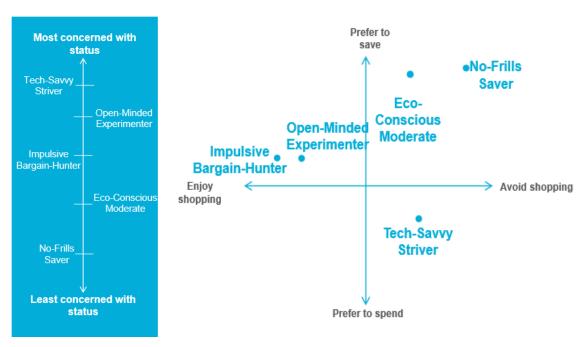


Figure 13. Attitude of each buyer group towards status and shopping intention (Euromonitor International 2016)

The UK consumers' attitudes toward shopping desire, spending, and status vary significantly (figure 13). On the one hand, "no-frills saver" shoppers prefer to save rather

than spending, whereas "tech-savvy strivers" prefer spending and have a high concern with status. On the other hand, "open-minded experimenters" and "impulsive bargain-hunters" really enjoy shopping but try to keep within means.

Tech-savvy strivers are conscious about the status the most whereas no-frills savers have the least interest towards it. (Euromonitor International 2016.)

2. Finding an excuse to shop

According to the survey, each consumer type has a distinct reason for shopping, which often aligns with their attitudes towards shopping, spending, and status (figure 14). Techsavvy strivers are a type of consumers that occasionally buy gifts for friends and family when traveling. In contrast, no-frill savers and e-co conscious moderates rarely spend money on gifts. Open-minded experimenters and impulsive bargain-hunter love to shop gifts for themselves and their loved ones. (Euromonitor International 2016.)

	Travel-based shopping	Shopping for gifts	Self- treating
Tech-Savvy Striver	Vacations are about indulgence, so why not shop?	I occasionally buy small gifts for friends and family	The occasional treat can be nice
Open-Minded Experimenter	I rarely factor shopping into my travel choices	Sometimes I surprise my loved ones with a gift	I love buying something to brighten my day
Impulsive Bargain- Hunter	Holidays have nothing to do with shopping	It makes me happy to treat other people	I often treat myself - why not?
Eco- Conscious Moderate	I do not choose destinations based on the shopping options	l rarely spend money on gifts	I treat myself when I think I deserve it
No-Frills Saver	I travel to see new things, not buy new things	Gift-giving is not a high priority for me	I only spend money on the things I need

Figure 14. Shopping excuses of each group (Euromonitor International 2016)

3. Buying on impulse versus planning ahead

Figure 15 demonstrates the shopping habits of five key shopper types. As it shows, impulse buyers are often "impulsive bargain hunters", who often make purchases without planning, followed by "open-minded experimenter" whereas "no-frills savers" are the most conscious shoppers who ignore advertising, stick with plans, and only purchase necessary stuff. (Euromonitor International 2016.)

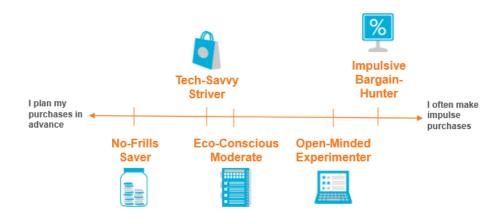


Figure 15. Buying on impulse versus planning ahead (Euromonitor International 2016)

4. Using technology for product research

Using technology for product research is one of the essential steps in the shopping process. According to the study, buyers in the UK use mobile and computer to research product formation, such as reviews of products, price comparison, or follow or like a company on social media channels. (Euromonitor International 2016.)

Tech-savvy strivers are the most engaging consumer type. They use technology to research product information, read reviews and compare prices on similar products while no-frills savers are the least interested tech buyers who rarely research products before shopping and engage with companies on social media (figure 16). (Euromonitor International 2016.)

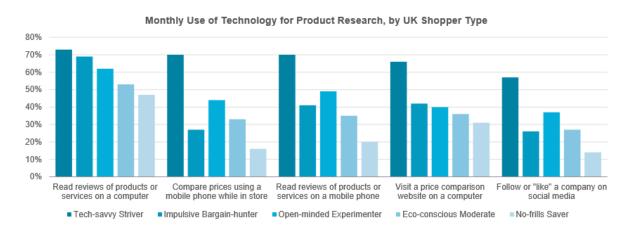


Figure 16. Monthly use of technology for product research by UK shopper type (Euromonitor International 2016)

5. Looking for guidance from brands and consumers

Figure 17 illustrates that tech-savvy strivers are responsive to all kind of marketing strategies, from traditional marketing to digital one, as well as recommendations from friends, family, and other buyers. In contrast, no-frill savers and e-co conscious are mostly resistant to all marketing approaches. These buyers sometimes get influenced by their friends, family, and other consumers, but it is likely that they trust their own buying experience more. (Euromonitor International 2016.)

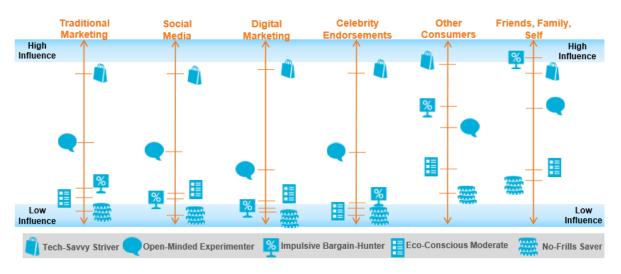


Figure 17. How UK shoppers look for guidance from brands and consumers (Euromonitor International 2016)

Filling the shopping cart

UK shoppers prioritize and consider different things when choosing to buy a product. For instance, the qualities and features the shoppers usually take into consideration are:

- Flexibility, loyalty, and status,
- Price and brand priorities
- Special features
- Green considerations

(Euromonitor International 2016.)

Different priorities and concerns lead to different choices of product. To make it clear, open-minded experimenters and impulsive bargain-hunters particularly get attracted to new brands and new products, whereas tech-savvy strivers prefer to buy goods from reputable brand names. In addition, eco-conscious moderates and no-frills savers are conscious about price, they prefer to buy cheaper alternatives rather than spend money on well-known brands. (Euromonitor International 2016.)

7. Online and mobile options at checkout

According to Euromonitor, tech-savvy strivers are the most enthusiastic shoppers about online shopping because of the convenience and speed of online retail. In fact, they are shopping online more often and tend to purchase something via phone. In contrast, no-frills savers, impulsive bargain-hunters and eco-conscious moderate shoppers try to avoid shopping as much as they can, but when they do, they prefer purchasing goods in physical stores rather than online stores (figure 18). (Euromonitor International 2016.)

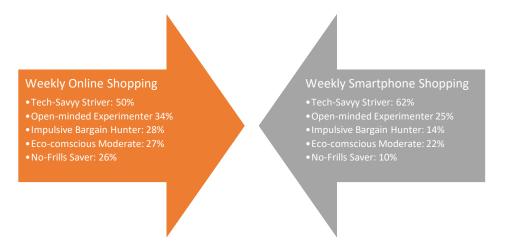


Figure 18. Online and mobile options at check out (Euromonitor International 2016)

4 Execution

Chapter 4 describes a comparison between two popular e-commerce platforms – Amazon and eBay. The author brings up a variety of aspects of both e-commerce sites in order to make the comparison more objective. The store establishing is also carried out later in the chapter.

4.1 E-commerce Platform Comparison

Amazon and eBay are the most visited e-commerce sites in the UK (section 2.2). Both Amazon and eBay offer a safe and simple way to sell products internationally. In order to choose the most optimal platform for the case company, a comparison between eBay and Amazon will be carried out. In this subchapter, an insightful comparison will be implemented based on various categories. It is worth noting that statistics and figures in this chapter only apply for the UK Amazon and UK eBay site.

1. International markets and customer base

Amazon

300+ million active accounts on Amazon.com (Amazon Services).

689+ million monthly visits to Amazon.com (Murtagh 2018).

14 Amazon sites worldwide (Amazon Services).

Customers span 180+ countries (Amazon Services).

eBay

180+ million active users (eBay Inc.).

221+ million monthly visits to eBay.co (Murtagh 2018).

21 eBay sites worldwide (eBay for Business).

Customers span 190 countries (eBay Inc.).

As the author mentioned in the previous section, Amazon is the most popular e-commerce site in the UK, followed by eBay (section 2.2). With over 300 million users and 689 million visits globally per month, Amazon is the potential marketplace for e-commerce businesses. For years, Amazon surpassed Google as a starting point for product discovery. A new study conducted by Bloom Reach found that 55% of internet shoppers in the US started product searches on Amazon compared with 28% who selected search engines, and 16% chose other online retailers (Price 28 September 2016). Therefore,

listing products on Amazon will allow sellers to reach more potential customers. Unlike Amazon, eBay has only 180 million active accounts with 221+ million monthly visits, which are far less compared to Amazon. However, in comparison to internationality, eBay has customers from 190 countries, which is much boarder than Amazon (from 180 countries). Likewise, eBay has 21 sites functioning around the globe, while Amazon has only 14 sites.

2. Selling fees

For individual sellers

As the author mentioned in section 2.3.3 and 2.4.2, selling plans for individual sellers is free of charge by both Amazon and eBay. However, the selling fees will be applied separately, based on product categories and policies of each platform.

Amazon charges the sellers listing fees only when the listed items are sold with a flat fee of £0.75 (Amazon Services). On the other hand, eBay offers a better policy for the listing fees at a lower rate. To make it clear, the private sellers will get 50 listings free of charge monthly, and only pay for additional ones with a fee of £0.35 per listing.

Regarding the referral fees (final value fees), on the UK Amazon site, the referral fees differ from 7%-25% depending on the product categories (Amazon Seller Central). In contrast, there are also referral fees on UK eBay site, but the fees are much lower (from 6%-11%) compared to Amazon (eBay Inc.). It is important for the case company to be aware of the huge difference in the referral fee regarding the rug and carpet category between two e-commerce sites. To put it simply, Amazon charges a 15% referral fee of items listed and sold in the "furniture and decor" category (Amazon Seller Central), 5% higher than eBay which charges only 10% (eBay Inc.).

In order to have a clear understanding of selling fee differences between two platforms, the selling fee comparison for individual sellers will be presented in the table below.

Table 2. Selling fees comparison for private sellers

	Amazon	eBay
Individual plan	free	free
Listing fee per item	£0.75/item sold	first 50 listings free additional one for £0.35 /listing
Referral fees (final value fees)	7%-25%	6%-11%
Referral fee for "home and décor" category	15%	10%
Closing fee	£0.50/per media item	no fee

For professional business sellers

Since the case company aims to sell more than 35 items per month, the professional selling subscription will be chosen to be analyzed thoroughly (table 3).

With the professional subscription for business sellers, an amount of £25 will be invoiced monthly by Amazon and eBay (2.3.3 & 2.4.2). Even though the monthly subscription fees are the same, additional fees are applied differently. On UK Amazon, listings fees per item will be free of charge when the sellers subscribe to the pro selling plan (Amazon Seller Central). On the other hand, eBay provides 250 listings per month free of charge for those who subscribe the pro plan and charge for the additional listings with an amount of £0.35 per listing and per category (eBay Inc.).

Similar to the referral fees for individual sellers, the referral fees for pro sellers are applied in the same way. Referral fees for Amazon sellers range from 7% to 25%, and for eBay sellers vary from 6% to 11%.

Table 3. Selling fees comparison for professional sellers

	Amazon	eBay
Professional plan	£25	£25
Listing fees per item	free and unlimited	first 250 listings free additional one for £0.35/listing
Referral fees (Final value fee)	7% - 25%	6% - 11%
Referral fee for home and décor category	15%	10%
Closing fee	£0.50/per media item	no fee

To illustrate the selling fee comparison numerically, an example of rug selling will be performed to compare service fees between Amazon and eBay (table 4).

Example: a seller is selling a brand-new rug with a price of £30. He/she offers standard shipping with a flat rate at £10.

Table 4. selling fees comparison between Amazon and eBay

	Amazon	eBay
Marketplace	UK Amazon	UK eBay
Price per item	£30	£30
Total shipping credit	£10	£10
Amount paid by customer	30 + 10 = £40	30 + 10 = £40
Referral rate	15%	10%
Referral fee	40*0.15 = £6	40*0.1 = £4
Total amount credited to	40 - 6 = £34	40 - 4 = £36
seller's account		

From the table above, it is evident that with a lower rate of referral fees, the seller could make more profits on eBay (table 4).

3. Shipping and fulfillment

Amazon offers FBA for both individual and professional sellers to help them deal with fulfillment and shipping process. Through the FBA service, Amazon helps sellers to store, pick, pack, and ship their products to end customers, as well as take charge of customer service, and after-sales service. With 175 fulfillment centers lying around the globe, FBA is one of the most advanced fulfillment networks in the world (Amazon Service Europe). Benefits and drawbacks of FBA are mentioned in section 2.3.2. Similarly, eBay also provides an international delivery service for sellers named global shipping program. The program offers shipping and handling services for those who want to expand their business internationally. Pros and cons of GSP are brought up briefly in section 2.4.1.

Even though FBA and GSP sound similar, there are significant differences between two services that should be taken into consideration before selecting a sales platform.

FBA allows sellers to store their inventories in Amazon's fulfillment center before the actual sales are made, whereas GSP lets sellers send their products only at the time the orders are verified. To put it differently, with FBA, the shipping and fulfillment process is probably faster because the item is dispatched and sent immediately to the buyer after orders are made. With GSP, the process may take longer due to the expansion of the process that the seller has to send the item first to the eBay global shipping center, and from there, the item can be shipped to the end destination. Using FBA could speed up the fulfillment and handling process, which might lead to an increase in customer satisfaction.

Concerning service fees, FBA fees, including fulfillment and storage fees are paid by sellers. FBA fees can be costly for the sellers because the longer the inventories sit in the storage, the more expensive the storage fees will be. However, in return, all the products fulfilled by Amazon will be automatically eligible for free shipping on qualified orders, which could motivate a consumer to buy more (2.3.2). On the contrary, sellers using GSP do not need to pay anything, instead, eBay charges buyers the GSP fees. This could be beneficial for the sellers, but from the buyer's perspective, it is too pricy to pay double shipping fees for an item. As a result, the buyers seek for sellers who offer direct shipping methods (2.4.1) and it would hurt the sellers who use GSP.

Conclusion

It is so inaccurate to state whether Amazon or eBay is the best choice for e-commerce companies. The choice between the two platforms depends heavily on what sellers are looking for. For most of the sellers, selling fees would be lower if they choose eBay as a sales platform. However, some sellers might find FBA beneficial for their businesses.

4.2 Amazon Store Setup

This subchapter provides a general guideline from setting up an account on Amazon to launching the store. The process consists of seven steps (figure 19).

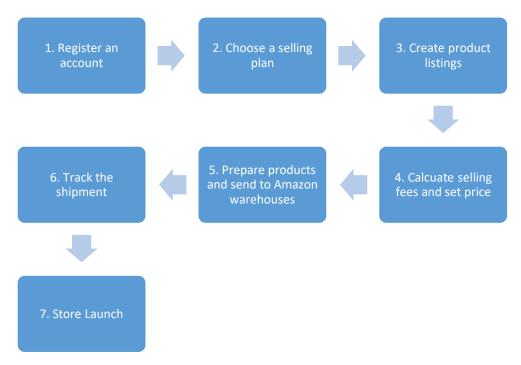


Figure 19. Amazon online store setup process

Step 1: register a seller account on Amazon Seller Central UK

To start an Amazon store, a seller can choose to set an account from an Amazon local site, for example amazon.com, or amazon.co.uk. In this case, the seller account in the UK marketplace will be set up because of the following reasons:

- UK is the third biggest e-commerce marketplace with annual online sales at \$99
 billion after China and the US. (2.2)
- Amazon is the most visited e-commerce site in the UK (2.2).
- An Amazon account that signed up in Amazon Europe Marketplace is automatically eligible to sell on other Amazon EU marketplaces such as Amazon.de, Amazon.fr or Amazon.es (Amazon Seller Central).
- Amazon has 17 different fulfillment centers located in the UK (About Amazon).

After selecting the right local site for the case company, the next step is to fill out necessary information such as primary contact information, phone number, credit card, company registration details, and bank account information.

Step 2: Subscribe a selling plan

Amazon offers two types of selling plan for sellers (2.3.3). In step 2, the seller needs to decide or predict how many items he/she will be selling per month and choose the selling plan that fits the company's business model.

The case company decided to subscribe to the professional plan due to the advantage of an unlimited number of listings and numbers of selling items per month. The subscription fee is £25 excluding VAT.

Step 3: create product listings on Amazon Marketplace

In this step, product listings will be created on Amazon seller platform. In order to create listings, the case company provides product information, including EAN code, product description and images,

FBA is chosen to be the main delivery method base on the following reasons:

- FBA helps the case company drive sales through Prime and free shipping program.
- FBA helps to remove all the hassle and complexity of fulfillment and shipping process.

 With FBA, the case company could sell across Europe without worrying about logistics complexity and customs taxes.

The seller can decide how many items are available and assigned to FBA.

Step 4: calculate selling fees and set price

In order to set a final price for an item, two types of main fees should be in consideration in cost calculation: selling fees and FBA fees.

In selling fees, there is a monthly subscription fee (£25/month) and referral fees (2.3.3). For rug and carpet categories, the referral rate is 15%. of the total price including shipping, gift wrapping and other charges.

The fulfillment fees, which are mentioned in the previous chapter (2.3.2), are charged per unit, including packing, shipping and handling, customer service and product returns, based on product type, dimensions and weight. In this case, products are divided into two different categories: standard-size and oversize. Standard-size includes 4 various types of size: small envelope, standard envelope, large envelope and standard parcel. Oversize consists of 3 different types of size: small oversize, standard oversize, and large oversize. (Amazon Seller Central.) Based on the dimensions (length, width, height) and weight of the items, the types and sizes of the product will vary (table 5). It is worth noting that the diversity of product size is equal to a diversity of the charged fees.

Table 5. Example of product types and size tiers based on dimensions and weight (Amazon Seller Central).

	Maximum length (cm)	Maximum width (cm)	Maximum height (cm)	Maximum shipping weight (g)	Packaging weight (g)			
Standard-size								
Small envelope	20	15	1	100	20			
Standard envelope	33	23	2.5	500				
Large envelope	33	23	5	1,000	40			
Standard parcel	45	34	26	12,000	100			
Oversize								
Small oversize	61	46	46	2,000	240			
Standard oversize	120	60	60	30,000	240			
Large oversize* 150		N/A	N/A	30,000	240			

About storages fees, they are calculated based on product types and calendar month (table 6). The storages fees are cheaper from January to September, and more expensive from October to December (Amazon Seller Central).

Table 6. Example of storage fees (Amazon Seller Central)

Monthly inventory storage fees									
Prior to August 1, 2019									
Storage month Standard-size Oversize									
January–September	£0.65 per cubic foot/€26 per cubic metre	£0.65 per cubic foot/€26 per cubic metre							
October–December	£0.91 per cubic foot/€36 per cubic metre	£0.91 per cubic foot/€36 per cubic metre							
August 1, 2019 and after									
Storage month	Standard-size	Oversize							
January–September £0.65 per cubic foot/€26 per cubic metre		£0.45 per cubic foot/€18 per cubic metre							
October–December	£0.91 per cubic foot/€36 per cubic metre	£0.63 per cubic foot/€25 per cubic metre							

All the products in the listings have been calculated based on Amazon guideline (attachment).

Step 5: prepare products and ship to Amazon warehouses

Before shipping the items to Amazon's warehouses, the seller needs to prepare the items including labeling. There are three options for product labeling

- 1. Print and apply Amazon product labels to each unit
- 2. Sign up for "stickerless", commingled inventory if items are eligible
- 3. Use FBA label service

Since items of the case company have their labels, option number 2 "stickerless label" will be selected. Once all products are done with labeling and packing, it is time to send the inventories to a UK Amazon fulfillment center.

In this step, the seller needs to go to the seller central account and assign the inventories to FBA.

Step 6: track your shipment

Once your shipment is picked from a carrier, mark the shipment as shipped in the seller central account. You can track the status of your shipment in the seller account as well.

Step 7: launch the store

When the products are available on the Amazon site, then you can start selling the items.

Best ways to target the UK shoppers

To approach potential audiences, the commissioning company should generate appropriate marketing strategies for the UK shoppers based on the critical traits of each group (mentioned in the 3.3). For instance, with eco-conscious moderates, who are seeking for green claims, and environmental-friendly products, the case company can reach them by emphasizing the features of products, which are made from upcycled and recycled materials. Impulsive bargain-hunters are price-sensitive, so the best way to approach these shoppers is to give out promotions such as occasional discounts. Plus, tech-savvy strivers are status seekers. In order to get their attention, the case company should offer them excellent products and shopping experience. With tech-savvy strivers, they are easily influenced by ads, so the company should focus on using different channels of marketing to reach them.

Open-minded experimenters often seek for new products and new brands. They tend to research products online before purchasing, the right way to reach them is to generate a variety of marketing content about products and brands.

5 Conclusions

This chapter aims to provide a summary of all the topics discussed in the thesis. In addition, recommendations for the case company are also presented later in the chapter. Project evaluation and learning outcomes are also briefly discussed.

5.1 Summary

It is vital to emphasize the goal of this thesis is to create an online for Finarte Oy on the UK Amazon site. As a result, topics related to e-commerce, Amazon, and store setup are discussed in the thesis.

E-commerce has been growing fast in recent years thank the development of technology and social networks. In 2019, according to Statista, China is the largest e-commerce market in the world, followed by the US and the UK.

In the UK, Amazon and eBay are the most popular e-commerce sites for shoppers. In fact, Amazon is the largest internet retailers in the world, having a large market share of most of the retail categories. Fulfillment by Amazon (FBA) is a fulfillment and delivery program offered by Amazon to help sellers remove all the complexity and hassle from shipping and fulfillment process. Using FBA could bring many benefits to sellers such as products earning Prime badge, and products are eligible for free shipping and Prime members. However, companies are concerning about some disadvantages, for instance, FBA service fees and brand awareness.

Similarly to Amazon, eBay is also recognized as a well-known e-commerce marketplace. The company is operating in many countries, and has customers around the globe (from 190 countries). One of the most outstanding features that eBay offers for sellers is Global Shipping Program (GSP) that is an international delivery shipping service. Similarly to FBA, GSP is designed to help sellers to deal with international shipping and handling process, including customs duties, taxes, and other related issues. In fact, GSP has several advantages that are beneficial for sellers. For instance, with GSP, sellers are projected from negative feedbacks if there are damages during the shipping process. Besides the advantages, GSP also has some drawbacks. For example, in order to be approved for using GSP service, the sellers have to several strict criteria required by eBay.

A comparison between Amazon and eBay is carried out. Various aspects regarding both platforms are brought up, such as customer base, internationality, service fees, and shipping and handling services. Both advantages and disadvantages are clearly presented, companies should choose the platform that fits their needs, and goals the most.

The case company decided to set the store on the UK Amazon site because of the outstanding feature FBA. The online store is established based on a general guideline including seven steps in the previous chapter.

5.2 Recommendations

This is a project based thesis that aims to create an online store for the case company. The author provides a practical guideline for the case company, as well as other businesses who want to sell goods on Amazon. In addition, the comparison between the two popular e-commerce sites, Amazon and eBay could be beneficial for companies who are seeking advice or information whether Amazon or eBay is the best for their businesses.

For the case company, the author gives an in-depth analysis of the UK shopper types, and their buying behavior. Understanding the differences regarding priorities and concerns of each shopper type will help the case company approach the audience successfully. For further marketing strategies, the case company should generate marketing campaigns based on the distinct traits of each buyer types.

5.3 Project Evaluation

This thesis was planned from October and implemented in four months (from January to April). Even though there were some delays during the project execution because of the busy schedules of both parties, the project was carried out successfully. Before and during the project, the commissioning company provided useful information and supports that contribute to the success of the project.

The biggest challenges in this thesis are to find relevant information and structure the theoretical framework. Thanks to the support of school staffs, the author found reliable

and relevant sources for the thesis. In addition, advice from the thesis advisor helped the author in generating a systematical theoretical framework.

5.4 Reflection on Learning

During the thesis process, the author has strengthened her knowledge on e-commerce, particularly on Amazon and eBay. She has learned new concepts of consumer buying decision-making process, as well as factors that influence the buying behavior. In addition, the author was exposed to several interesting studies and researches, which are beneficial for her future career. Her research skills have also sharpened surprisingly since she has constantly been researching for the thesis topic.

References

About Amazon, About Our Fulfilment Centers, URL:

https://www.aboutamazon.co.uk/working-at-amazon/about-our-fulfilment-centres. Accessed 25 May 2019.

Amazon Seller Central. Selling on Amazon Fee Schedule. URL: https://sellercentral.amazon.co.uk/gp/help/external/200336920. Accessed 14 May 2019.

Amazon Seller Central. Setting up Your Account in Europe. URL: https://sellercentral.amazon.com/gp/help/external/G201394300?language=en_US. Accessed 25 May 2019.

Amazon Services Europe. Sell on Amazon. URL:

https://services.amazon.co.uk/services/sell-online/pricing.html/ref=asuk_soa_p_ssnav. Accessed 13 May 2019.

Amazon Services. Fulfilment by Amazon. URL: https://services.amazon.com/fulfillment-by-amazon/benefits.htm/ref=asus_fba_fnav. Accessed: 26 March 2019.

Bax, S., Meyer, K. & Wilkins, N. 2013. Cambridge Marketing Handbook: Digital. Kogan Page Ltd. London.

Berg, N. & Knights M. 2019. Amazon. How the World's Most Relentless Retailer Will Continue to Revolutionize Commerce. Kogan Page Limited. London.

Bespoke Floors Ltd. Types of Carpet. URL: http://www.bespokefloorsltd.co.uk/our-flooring/carpets/types-of-carpet. Accessed 11 May 2019.

Burk Wood, B. M. 2017, Essential Guide to Marketing Planning. 4th edition. Person Education. Harlow.

Butler, S. 7 March 2019. The Guardian. Almost 90% of UK Shoppers Use Amazon, Research Reveals. URL: https://www.theguardian.com/business/2019/mar/07/almost-90-of-uk-shoppers-use-amazon-research-reveals. Accessed 23 May 2019.

Carragher, G. How to Leverage the Power of Amazon FBA. Big Commerce. URL: https://www.bigcommerce.com/blog/amazon-fba/#what-you-are-responsible-for-when-using-amazon-fba. Accessed: 22 April 2019.

E-commerce Guider. The Pros and Cons of Amazon FBA. URL:

https://ecommerceguider.com/the-pros-and-cons-of-amazon-fba/. Accessed 14 May 2019. eBay for Business. Seller Guide. URL:

https://sellercentre.ebay.co.uk/sites/default/files/assets/download/ebay_for_business_seller_guide.pdf. Accessed 15 May 2019.

eBay Inc. Global Shipping Program. URL: https://www.ebay.com/help/selling/shipping-items/setting-shipping-options/global-shipping-program?id=4646. Accessed 22 May 2019.

eBay Inc. Selling Fees. URL: https://www.ebay.com/help/selling/fees-credits-invoices/selling-fees?id=4364. Accessed 14 May 2019.

eBay Inc. URL: https://www.ebayinc.com/our-company/who-we-are/. Accessed: 2 May 2019.

eBay Seller Centre. Global Shipping Programme. URL:

https://sellercentre.ebay.co.uk/business/global-shipping-programme. Accessed 21 May 2019.

Edquid, R. 22 February 2017. 10 of the Largest E-commerce Markets in the World by Country. Business. URL: https://www.business.com/articles/10-of-the-largest-ecommerce-markets-in-the-world-b/. Accessed: 4 April 2019.

Ekström, K., Ottosson, M. & Parment, A. 2017. Consumer Behavior. Classical and Contemporary Perspectives. Studentlitteratur. Lund.

Epsilon 2018. How to Win in the Amazon Era. Conversant LLC and Epsilon Data Management. URL:

https://img03.en25.com/Web/EpsilonDataManagementLlc/%7Bd07fa263-a086-4e35-b562-d2904676ed84%7D_Amazon_Infographic.pdf. Accessed: 22 April 2019.

Euromonitor International 2016. Passport. Intranet. Consumer Shopper Types: United Kingdom. Accessed: 4 April 2019.

Euromonitor International 2017. Passport. Intranet. Amazon.com Inc. in Retailing. Accessed: 26 March 2019.

Euromonitor International 2018. Passport. Intranet. Retailing: eBay Inc. Accessed: 16 April 2019.

Fabregas, K. 13 March 2018. Fit Small Business. 2018 Amazon Seller Fees: Cost of Selling on Amazon. URL: https://fitsmallbusiness.com/amazon-seller-fees/. Accessed 14 May 2019.

Fazackarley, J. 8 February 2019. Web Retailer. eBay Global Shipping Program: All Your Questions Answered. URL: https://www.webretailer.com/lean-commerce/ebay-global-shipping-program/. Accessed 22 May 2019.

Finarte Oy 1985. This is our Warp and Weft. URL: https://finarte.fi/about-us/ Accessed: 12 January 2019.

Forbes 2018. The Benefits of Expanding Your Business to Include E-commerce. URL: https://www.forbes.com/sites/theyec/2018/01/31/the-benefits-of-expanding-your-business-to-include-e-commerce/#1b865ba94608. Accessed: 13 January 2019.

Gemma 19 March 2015. Auction Nudge. eBay Seller Guides. Tip & Tricks for Selling on eBay. Using eBay's Global Shipping Program – a Guide for New Sellers. URL: https://www.auctionnudge.com/guides/using-ebays-global-shipping-program-a-guide-fornew-sellers/. Accessed 22 May 2019.

Global Industry Analysts, Inc. January 2019. Enduring Comfort, Warmth & Elegance Helps Carpets Withstand Competition from Hard Surface Flooring. URL: https://www.strategyr.com/MarketResearch/market-report-infographic-carpets-and-rugs-forecasts-global-industry-analysts-inc.asp . Accessed 11 May 2019.

Hardy, J., Powell H. & Macrury I. 2018. The Advertising Handbook. Fourth Edition. Routledge. New York.

Hobbs, T. 12 February 2018. Amazon Prime Reveals Revenues for First Time. Marketing Week. URL: https://www.marketingweek.com/2017/02/16/amazon-prime-revenues/. Accessed: 21 April 2019.

Hufford, J. 15 January 2018. Are Fulfillment by Amazon's (FBA) Fees Worth the Cost? Nchannel. URL: https://www.nchannel.com/blog/is-fulfillment-by-amazon-fba-worth-the-cost/. Accessed: 1 May 2019.

Journal of Global Economics 2 December 2017. Circular Economy Potential in the Carpet Industry. URL: https://www.omicsonline.org/open-access/circular-economy-potential-in-the-carpet-industry-2375-4389-1000271-96029.html. Accessed 11 May 2019.

Kline, D. 19 January 2018. Super Users: How often do Prime Members Buy from Amazon. US Today. URL: https://eu.usatoday.com/story/money/shopping/2018/01/19/how-often-do-prime-members-buy-from-amazon/109596624/. Accessed: 22 April 2019. Kotler, P. & Armstrong G. 2018. Principles of Marketing. Person Education Limited. Harlow.

Laudon, K. & Traver, C. 2018. E-commerce 2018. Business Technology Society. Fourteenth Edition. Pearson Education Limited. Harlow.

Mourya, S. & Gupta, S. 2014. E-Commerce, Alpha Science International. New Delhi.

Murtagh, R. 2 August 2018. Top Online Marketplaces: Where to Sell in 2019. NetoHQ. URL: https://www.netohq.com/blog/top-online-marketplaces-comparison. Accessed: 9 April 2019.

Nazmiyal Antique Rugs 10 January 2018. Difference between a Rug and a Carpet? URL: https://nazmiyalantiquerugs.com/blog/what-is-the-difference-between-a-rug-and-a-carpet/. Accessed 11 May 2019.

Orendorff, A. 26 June 2018. Global Ecommerce Marketplaces: The Complete List by Region and Sales. Shopify Plus. URL: https://www.shopify.com/enterprise/global-ecommerce-marketplace. Accessed: 4 April 2019.

Piepenbrock, R. 13 March 2019. Cross Border Magazine. Global E-commerce Market Ranking 2019. URL: https://cross-border-magazine.com/global-ecommerce-market-ranking-2019/. Accessed 25 May 2019.

Price, R. 28 September 2016. Business Insider. Amazon Is Eating Away at Google's Core Business. URL: https://www.businessinsider.com.au/55-people-start-product-searches-amazon-google-search-share-2016-9. Accessed 23 May 2019.

Shopify 2017. Online-shopping and E-commerce Worldwide: Statistics and Facts. URL: https://www.statista.com/topics/871/online-shopping/ Accessed: 13 January 2019.

Solomon, M. 2017. Consumer Behavior. Buying, Having and Being. Twelfth Edition. Pearson Education Limited. Harlow.

Solomon, M., Marshall, G. & Stuart, E. 2018. Marketing. Real People, Real Choices. Ninth Edition. Pearson Education Limited. Harlow.

Statista 2018. eBay-Statistics & Facts. URL: https://www.statista.com/topics/2181/ebay/. Accessed: 16 April 2019.

Statista 2018. Intranet. A closer look at Global E-commerce. URL: https://www-statista-com.ezproxy.haaga-helia.fi/chart/16215/global-ecommerce-revenue/. Accessed: 4 April 2019.

Statista 2019. Intranet. Commerce Websites ranked by visitors in the United Kingdom in March 2016. URL: https://www.statista.com/statistics/286489/uk-visitors-to-mass-merchandiser-websites/. Accessed 25 May 2019.

Statista 2019. Intranet. E-commerce. Germany. URL: https://www-statista-com.ezproxy.haaga-helia.fi/outlook/243/137/ecommerce/germany. Accessed 25 May 2019.

Statista 2019. Intranet. Manufacture of Carpets, Rugs Revenue in the United Kingdom from 2011 to 2023. URL: https://www-statista-com.ezproxy.haaga-helia.fi/forecasts/397223/manufacture-of-carpets-and-rugs-revenue-in-the-united-kingdom. Accessed 10 May 2019.

Statista 2019. Intranet. Retail Sale of Carpets, Rugs, Wall and Floor Coverings Revenue in the United Kingdom from 2010 to 2022. URL: https://www-statista-com.ezproxy.haaga-helia.fi/forecasts/397480/retail-sale-of-carpets-rugs-wall-and-floor-coverings-revenue-in-the-united-kingdom. Accessed 10 May 2019.

The Statistics Portal 2018. E-commerce Share of Retail Sales Revenue in the United Kingdom from 2015 to 2018. URL: https://www.statista.com/statistics/285978/e-commerce-share-of-retail-sales-in-the-united-kingdom-uk. Accessed: 13 January 2019.

Wells, S. 5 January 2019. The Balance Small Business. Disadvantages of eBay's Global Shipping Program. URL: https://www.thebalancesmb.com/ebay-global-shipping-program-disadvantages-4114389. Accessed 22 May 2019.

Attachment

Attachment 1: Service fees calculation table

Product name:	Color:	Size:	Material:	Bruttoweight:	Nettoweight:	Package roll size (cm)	Lenght Widt	n Hei	ght Type of package	Fulfilment fee (UK) in £	Fulfilment fee in € L	(cm)	W (cm)	H (cm)	Volume (m3)	itorge fee (Pior to August 1,2019)	Storage fee (after) Jan-Sep	Storage fee (after) Oct-Dec Column1
											1,14€	•			0,000001	26€	18€	25 €
TAIFUUNI	Grey	80x200 ci	m 90% PVC, 10% polyester	2,55	2,5	50 80x12x12	200	80	0,3 Standard oversize	£ 5,05	5,76€	80	12	12	0,01152	0,30 €	0,21€	0,29 €
Valtteri	Red	80x150	Cotton 95%, polyester 5%	1,7	/ 1,	1,7 80x9x9	150	80	0,5 Standard oversize	£ 4,96	5,65€	80	9	9	0,00648	0,17 €	0,12€	0,16€
Valtteri	Red	80x200	Cotton 95%, polyester 5%	2,5	2 ز	2,5 80x12x12	200	80	0,5 Standard oversize	£ 5,05	5,76€	80	12	12	0,01152	0,30 €	0,21€	0,29 €
Valtteri	Red	80x300	Cotton 95%, polyester 5%	3,3	3 3,	3,3 80x13x13	200	80	0,5 Standard oversize	£ 5,08	5,79€	80	13	13	0,01352	0,35 €	0,24€	0,34€
Valtteri	Red	130x190	Cotton 95%, polyester 5%	3,7	/ 3,	3,7 130x12x12	190	130	0,5 Large oversize	£ 7,73	8,81€	130	12	12	0,01872	0,49 €	0,34€	0,47 €
Valtteri	Blue	80x150	Cotton 95%, polyester 5%	1,7	/ 1,	1,7 80x9x9	150	80	0,5 Standard oversize	£ 4,96	5,65€	80	9	9	0,00648	0,17 €	0,12€	0,16€
Valtteri	Blue	80x200	Cotton 95%, polyester 5%	2,5	,2	2,5 80x12x12	200	80	0,5 Standard oversize	-,	5,76€	80	12	12	0,01152	0,30 €	0,21€	0,29 €
Valtteri	Blue	80x300	Cotton 95%, polyester 5%	3,3	3 3,	3,3 80x13x13	200	80	0,5 Standard oversize	£ 5,08	5,79€	80	13	13	0,01352	0,35 €	0,24€	0,34€
Valtteri	Blue	130x190	Cotton 95%, polyester 5%	3,7	/ 3,	3,7 130x12x12	190	130	0,5 Large oversize	£ 7,73	8,81€	130	12	12	0,01872	0,49 €	0,34€	0,47€
Valtteri	Brown	80x150	Cotton 95%, polyester 5%	1,7	/ 1,	1,7 80x9x9	150	80	0,5 Standard oversize	£ 4,96	5,65€	80	9	9	0,00648	0,17 €	0,12€	0,16€
Valtteri	Brown	80x200	Cotton 95%, polyester 5%	2,5	,2	2,5 80x12x12	200	80	0,5 Standard oversize		5,76€	80	12	12	0,01152	0,30 €	0,21€	0,29 €
Valtteri	Brown	80x300	Cotton 95%, polyester 5%	3,3	٤ 3,	3,3 80x13x13	200	80	0,5 Standard oversize	£ 5,08	5,79€	80	13	13	0,01352	0,35 €	0,24€	0,34€
Valtteri	Brown	130x190	Cotton 95%, polyester 5%	3,7	/ 3,	3,7 130x12x12	190	130	0,5 Large oversize	£ 7,73	8,81€	130	12	12	0,01872	0,49 €	0,34€	0,47€
Enni	Beige	60x90	Cotton 95%, polyester 5%	0,9),9 60x7x7	90	60	0,5 Small oversize	£ 3,82	4,35€	60	7	7	0,00294	0,08 €	0,05€	0,07€
Enni	Beige	70x140	Cotton 95%, polyester 5%	1,6	<u>ا</u> ا	1,6 70x9x9	140	70	0,5 Standard oversize	£ 4,96	5,65€	70	9	9	0,00567	0,15 €	0,10€	0,14€
Enni	Beige	80x200	Cotton 95%, polyester 5%	2,6		2,6 80x10x10	200	80	0,5 Standard oversize	-,	5,76€	80	10	10	0,008	0,21 €	0,14€	0,20€
Enni	Beige	80x250	Cotton 95%, polyester 5%	2,9		2,9 80x12x12	250	80	0,5 Standard oversize	-,	5,76€	80	12	12	0,01152	0,30 €	0,21€	0,29 €
Enni	Red	60x90	Cotton 95%, polyester 5%	0,9		0,9 60x7x7	90	60	0,5 Small oversize	£ 3,82	4,35€	60	7	7	0,00294	0,08 €	0,05€	0,07€
Enni	Red	70x140	Cotton 95%, polyester 5%	1,6		L,6 70x9x9	140	70	0,5 Standard oversize	,	5,65€	70	9	9	0,00567	0,15 €	0,10€	0,14€
Enni	Red	80x200	Cotton 95%, polyester 5%	2,6		2,6 80x10x10	200	80	0,5 Standard oversize		5,76€	80	10	10	0,008	0,21 €	0,14€	0,20€
Enni	Red	80x250	Cotton 95%, polyester 5%	2,9	- ,	2,9 80x12x12	250	80	0,5 Standard oversize	-,	5,76€	80	12	12	0,01152	0,30 €	0,21€	0,29€
Enni	Blue	60x90	Cotton 95%, polyester 5%	0,9		0,9 60x7x7	90	60	0,5 Small oversize	£ 3,82	4,35€	60	7	7	0,00294	0,08 €	0,05€	0,07€
Enni	Blue	70x140	Cotton 95%, polyester 5%	1,6		1,6 70x9x9	140	70	0,5 Standard oversize		5,65€	70	9	9	0,00567	0,15 €	0,10€	0,14 €
Enni	Blue	80x200	Cotton 95%, polyester 5%	2,6		2,6 80x10x10	200	80	0,5 Standard oversize	-,	5,76€	80	10	10	0,008	0,21 €	0,14€	0,20€
Enni	Blue	80x250	Cotton 95%, polyester 5%	2,9		2,9 80x12x12	250	80	0,5 Standard oversize	-,	5,76€	80	12	12	0,01152	0,30 €	0,21€	0,29 €
Enni	Green	60x90	Cotton 95%, polyester 5%	0,9),9 60x7x7	90	60	0,5 Small oversize	£ 3,82	4,35€	60	7	7	0,00294	0,08€	0,05€	0,07€
Enni	Green	70x140	Cotton 95%, polyester 5%	1,6	<u>ا</u> ا	1,6 70x9x9	140	70	0,5 Standard oversize		5,65€	70	9	9	0,00567	0,15 €	0,10€	0,14 €
Enni	Green	80x200	Cotton 95%, polyester 5%	2,6		2,6 80x10x10	200	80	0,5 Standard oversize	-,	5,76€	80	10	10	0,008	0,21 €	0,14€	0,20€
Enni	Green	80x250	Cotton 95%, polyester 5%	2,9) 2,	2,9 80x12x12	250	80	0,5 Standard oversize	£ 5,05	5,76€	80	12	12	0,01152	0,30 €	0,21€	0,29 €