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DIPLOM WORK

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Field of study: Marketing and management international business

**Ways development electronical business on consumers
markets
(diplom work)**

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Kunovice

I, Martin Král, declare that I made up my diploma paper myself under the lead Mr. Ing. Koudela and I stated all used sources listed all used literature.

Kunovice November 2005

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At first I would like to thank Ing. Kratochvil, Dr. h.c, that I could study on this university. I would like to thank Ing. Koudela who consulted my diplom work with. Next I would thank firm Hamker which I worked up my diplom work for. Last I would thank my family that they supported me in study

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1. Introduction

The firm Hamker

The firm Hamker was founded in 1907 by Heinrich Hamker. His acting partner was Alfred Hamker. The firm distribute these products :

- 1 Salads
- 2 Sauces
- 3 Tomato Ketchup
- 4 mayonnaise
- 5 special marinades and dressings

The following principles are typosal for the firm Hamker :

- 1 Quality
- 2 Taste
- 3 Freshness

The quality of products Hamker was many a time awarded during the years. First succes was silver medal in Hannover 1908. On the old emblem is displayed the head of cow, which remaind that the Hamker has the name in creamery too.

The firm's symbols have own history too. Before 25 years, as symbol of quality was identified red cube with device : Hamker and margarine

We can find his affiliates after all Germany.

On the nord - Hamburg, Bremen, Oldenburg, Hannover, Paderborn, Marl

On the south - Gelsenkirchen, Heidelberg, Stuttgart, Mnichov, Hochspeyer u Kaiserslauternu, Wurzburg, Durach

The firm wants to spread their causation on the east. The Czech Republic has to be first pull – up.

„Internet is a reflection of physical world. This reflection is no copy, no a picture, which something assumes and something delete. Delibration assumes all, but recast it at will and will prove to add his many a thing. Probably all what exist in physical world will be displayed in world of internet. Internet is notably ingenious – always expect, that it is a little bit donesme beyond the mirror, where the fantasy has no bound.“

Jiří Havelka (economist)

My topic of bachelor work is Directions development of electronic systems. I bring to bear on consume market in the Czech Republic. I dress this work for the firm Hamker. Internet find in the Czech Republic more and more exercise in the new regions and getting actual in the region of business. My opinion is that this interactive medium very distinctively will affect the business on business markets and on consume markets too. In present time distinctively rise interest about work with internet and concurrent raise frequency of using internet. Internet is accounted as considerable source of information and constantly rise concept, that in future will become routine a part of our live.

On Czech internet was detected and still detect new and new internet shops, virtual business houses, which have heterogeneous assortment.

Elemental inspiration by abroad paradigms is atoned own creation, which more address Czech costumers.

I will consider in my diploma paper whether the firm has found the internet shop or only propagate the products on internet.

The aim of my diploma paper will on base of information about present situation, bring to bear the trends, where head for the internet population, which compose the target group potent ional costumers virtual shops. And in connection with this adumbrate future facilities in sector of assortment policy internet business directed on consumer.

I execute too collation with studies of past. The aim of my diploma paper is too characterize development of communication and facilities of propagation electronic shops and I will dedicate too design of on – line shops.

2. Characteristics of background

„ People can change the internet, but the Internet assuredly change them “

2.1. Characteristics of Internet

Conceiving and development of Internet

In 60´ years in USA, they endeavored for create the net, which could connected with the most important PC of army, government.

In 1969 were connected first four network nodes (two PC of University of California, one in Stanford Research Institute and one in University of Utah), which was called ARPANET. The number of network nodes growled and in 1982 was accepted standard certificate TCP/IP, which enabled the communication of PC, irrespective of on their operating system.

Midway 80´. Years originate the word INTERNET.

The cycle from 1983 to 1992 was huge development of Internet and the number of connected PC and expansion besides USA. The army part of internet was separated in 1983. The office occupancy was startup in 90. years. In 1991by scientists of Minnesota University came with the system Gopher, which was the last step to change to WWW (World Wide Web).

Beginning the Internet in CR

Official date of connecting CSFR to Internet was in November 1991. On CVUT went ahead attempts of conjunction to network node in Linz. On the following year, the

government released 20 millions Coronas for construct the racial net connecting the university cities.

Rate of development in CR

1991 – 1995 is called the beat of academics. Internet served only the academics, commercial activities was not being held

1996 – 2000 become the period of popularization; generality of firms create on web presentations and the internet slowly getting to households. The number of people, who using at intervals internet grow.

2001 – 2004 is known as case of integration, Czech internet is financial interesant, the firms reassess objectives and begin create the presentation with view to profit.

Source: P. STUHLÍK, M. DVOŘÁČEK. *Marketing na Internetu*. 1. vyd. Praha: Grada Publishing, spol. s r. o., 2002. 248 s. ISBN 80-7169-957-8

Compare internet with conventional media

Internet is relative new medium and his facilities open new different markets.

Internet has a lot of particulars, which his make differential from the other exploited mediums and this particulars are offering new advantages for users of internet.

The following figure compares arguments conventional media with service WWW¹.

¹ complement no.6

Fig. 1 **Compare conventional media with internet**

	Earnestness	Plasticity	Identification crating	Response sensitivi	Loads	Cost of production	Penetration main markets
TV	High	Ultra high	Good	High	Very low	High	Ultra high
Broadcast	High	Low	Very low	High	Very low	Low	Ultra high
Journals	Low	central	Ultra high	Central	Central	Central	Central
Newspaper	Low	Central	Good	High	Low	Central	Ultra high
Billboards	Very low	Very low	Good	Central	Central	High	High
www	Low	Ultra high	Ultra high	Very high	Very low	Low	high

Source :P. STUHLIK, M. DVOŘÁČEK. *Marketing na Internetu*. 1. vyd. Praha: Grada Publishing, spol. s r. o., 2002. 248 s. ISBN 80-7169-957-8

Earnestness

- is rate of importunity media. Some media give costumers larger the other less facilities abscond causation commercial communication. In case WWW to have to take account of concrete conditions dispose this service (speed of counting sites etc.)

Plasticity

- expressive of ability media explain occupancy the product. On web, we can describe the product by the help of text, pictures, video clips, 3D etc.

Identification crating

- express, ability of media displays the carton in most devoted configuration. Web touts the same thing as conventional media and as well couples another, for example contingency of order the product costumer direct

Response sensitive

- express, how can alert costumers on commercial communication. High parameter values by service WWW support contingency immediately accept tender rush order and eventually immediately discharge it.

Loads

- by this parameter we express the loads on buy the time or the area in media. Cost of production of own commercial communication are loads on create commercial, web sites, banners etc. Cost of production by services of Internet can be difference at discretion firms, which they want to have claims on web sites.

Penetration of main trades

- denotes of contingency media act on the biggest parts of cities, where is concentrated costumer demand. Internet is by us linked in developed telecommunication infrastructure, with universities, with people, who have above the average salary and education and too with bigger cities for the is this characteristic typical.

2.2. Macro ambience

“The big mistake is develop theory ere we have information”

Sir Arthur Conan Doyle

All firms sometimes are found in ambience, which essential in manner effect their business. One of them is Macro ambience.

Macro ambience is divided into:

- 1 Natural environment
- 2 Technical environment
- 3 Demographic environment
- 4 Economic environment
- 5 Politico – legal environment
- 6 Social – cultural environment

2.2.1. Natural environment

- constitus base potential for business. This ambience comprises for example:
- directory in region, his size and clime conditions, distance between costumers and producers – transport feasibility skill of infrastructure facility participation in international activities
- nature sources (shortage of raw materials, growth of loads on input, exhaustibility, non – renewable raw material and energetic sources, fall productions on ecology).

2.2.2. Technical environment

- changes in technical environment breed one of the biggest opportunities for business. New technologies enable boost productivity work, economize and so increase competitive ability of product and company too. The changes are very quick and have influence too on changes consume ways. The most notably current advanced by social is support of innovation cases centered on grow of safety, health protection and ecology.

2.2.3. Demographic environment

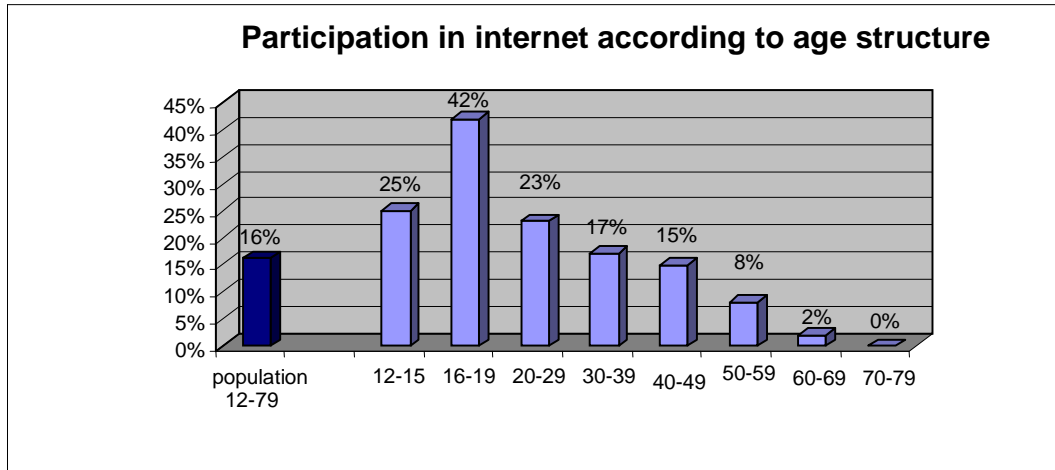
- is conclusive for building markets, their size, structure and configuration. We track basic demographic category here – size of population, configuration, mobility, social, income, qualification and education structure, age structure and economy activities.

Demographic environment of Internet is comprised his users. Answer on question, which are they and how many users of Internet in CR are not easy. For all exist a lot of market intelligence, which interest this dilemma, their results of questionnaire are not the same and often quite very considerably. The best way, how bottom the difference is that the agencies have different number of population (6 to 16 %)

Media Project for 2003 2. and 3. quartel made the questionnaire survey and of the results follow that the approach to internet have 19,7 % population from 12 to 79 as is about 1 % more as in 1 quartel 2003 (18,6)%. Sum total is 1689 t. person, with approach on Internet several times per month is 1388 t. users from (12 –79). And this group of inhabitants is dedicated this analyses.²

² Research Media Projekt in 2003 was realized for SKMO (Association of communication and medial organizations) Association GfK – TN Sofres – STEM/MARK 30 000 respondents. In sekond and third quartan 2003 was enquired more than 15 000 respondents in age between 12-79

Diagram no.1



Source: <http://www.gfk.cz/news/press/reader.asp?lang=CZ&ctr=203&msg=416>

In consequent diagram are stated shares of age groups, which use the internet at least several times per month.

The highest participation of users Internet is in age group from 16 to 19, where almost every second person is user. The most frequent method of connection these people are from the school. Connection of the home is higher (about 8 % of age group from 16 to 19) as against with age group 20 years and older (about 5-6 % of age group from 20 to 49).

From the youngest age group 12 – 15 is using internet 25 % of these people for the most part in the school (67 % users). Connection of the home has comparable data with population from 20 to 49 (about 6 %).

Connection of work increases with growing age of people in economic active age from 53 % in age group 20 –29 (by these people is still high rate of connection of the school – almost 30 %) as late as 86 % of connected in age group from 50 to 59.

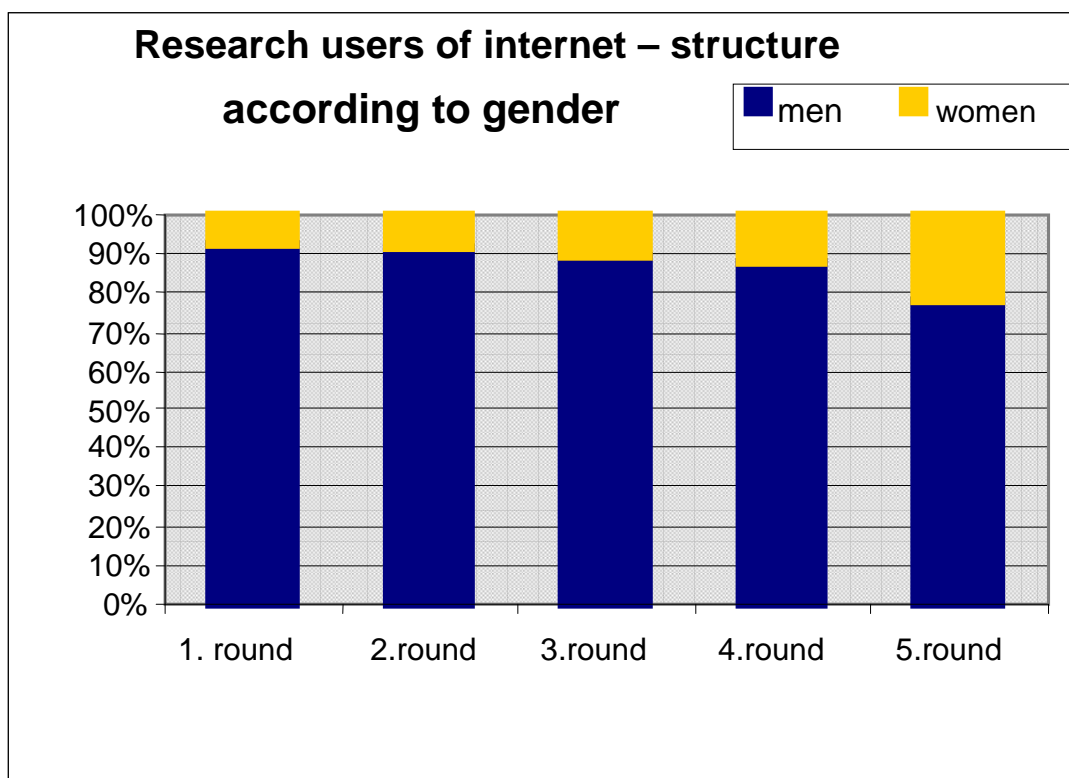
Using of internet is differentiation too according to his using and the reason of using. One third of users of internet using internet every day, another 30 % several times per week and 30 % percent only sometimes.

Another very interesting project was Research users of internet³. This research began in September 2000 and finished in July 2003. The research had five rounds. In research was collected 7700 answer sheer and discussed about one of the biggest research in central Europe.

Source:<http://www.park.cz/pruzkum/opui.htm>

For a consideration of dates of all five rounds we can enunciate that men have dominant position of using internet in The Czech Republic, but how we can see on next diagram their fraction is gradient.

Diagram no. 2



source: <http://www.park.cz/pruzkum/opui.htm>

³ That research of Czech users of internet realizes The Centrum for an electronic purchase (CEO) in the period October 2000 - July 2003 with sharing of 1,463 respondents.

Comparatively markedly differentiates the group of men and women as users of internet age group. In all categories to 25 years women forges higher relative participation before bearing on entire internet population. In age group to 15 years is actually 40: 60. With growing age is bearing on men lower and in age group from 41 to 45 is actually 15: 85 in behalf of men. Most respondents have according to Research users of internet in CR approach to internet from their job. Very interesting is data about connection respondents of home. This number is still growing – ldata value of the last research is 63 % - almost as European diameter. In last round was noted too phenomenon in connection of internet cavern. Diagrammatic representation of connection places.

Figure no. 2

Research of users internet – approach to internet according to place

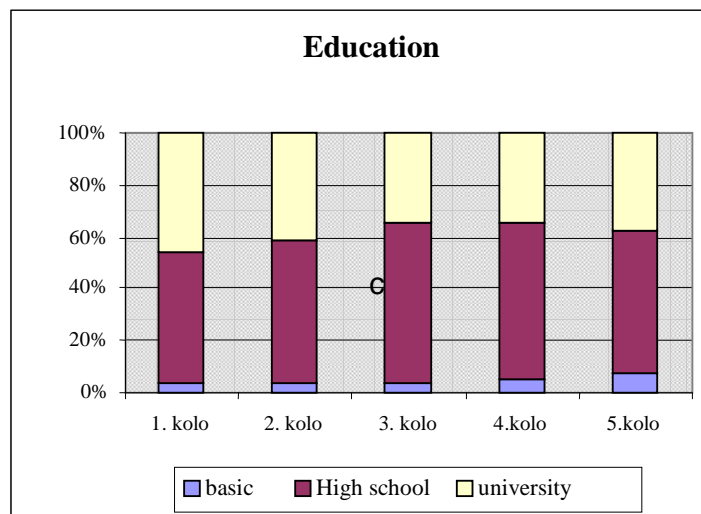
Approach to internet	1. round	2. round	3. round	4. round	5. round
Of career	66%	68%	59%	69%	73%
Of home	33%	36%	36%	43%	63%
Of schoul	33%	28%	31%	25%	23%
Of internet coffee	0	0	5%	8%	18%
other	0	6%	7%	9%	10%

source: <http://www.park.cz/pruzkum/opui.htm>

Mean age of user of internet is according to research about 28-30 years.

High level education of users internet compared to normal population constitutes one of the main arguments why is this market attractive for investors. Over 37 % of respondents have university education (technical orientation of school lost dominating position).

Diagram no. 3



source : <http://www.park.cz/pruzkum/opui.htm>

For commercial exploitation is important structure of users internet from the point of view frequency of connection⁴.

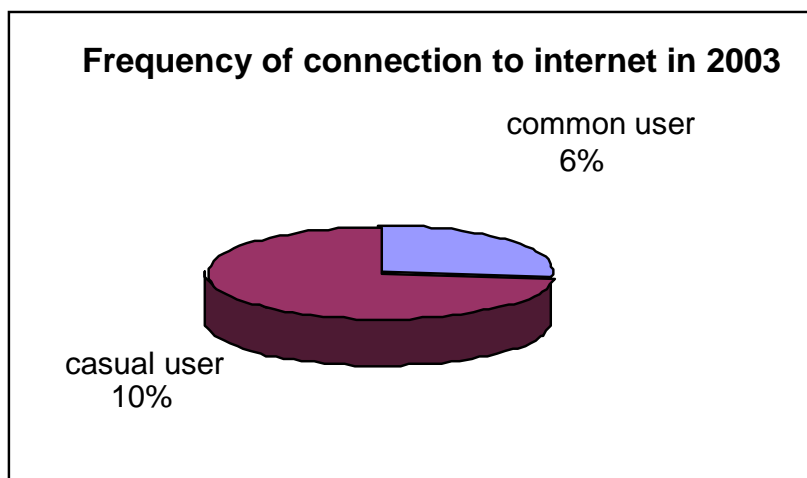
Common user – use internet more often than one time per week. In April 2003 was computed **450 790**⁵ people (6% of community).

Casual user – use internet maximal one time per week. Epitome is attendants of internet caverns. In April 2003 was computed **751 300** casual users in The Czech Republic (10 % of community).

People without experience with internet – people, who have never been working with internet (84 %)

⁴ research made up in March 2003 agency Markent a Deloitte & Touche
⁵ size of adult population was estimated on 7 500 000

Diagram no.4



Source: Markent a Deloitte & Touche, September 2003

Figure no.3

Frequency of connection to internet

	2002	2003	Men	Women
Common user	27%	34%	47%	26%
Casual user	72%	66%	53%	74%

Source : Market a Deloitte & Touche, September 2003

International Data Corporation (IDC) computed on the date 1.7. 1999 „ more than 292 000 users and at the end of the same year will work with internet 3, 2 % of Czech population. IDC computes too grow by 30, 7 % every year in next 5 years. By custom this conditions will the situation consequent.

Figure no.4

	2000	2001	2002	2003	2004	2005	2006
Amount of users	344 000	449 608	587 638	768 041	1003831	1312548	1714821
% population CR	3,37%	4,41%	5,76	7,53%	9,84%	12,86%	16,81%

Source: P. STUHLÍK, M. DVOŘÁČEK. *Marketing na Internetu*. 1. vyd. Praha: Grada Publishing, spol. s r. o., 2002. 248 s.

This analysis was quite few inaccurate, because according to research of agency Taylor Nelson Sofres Interactive had risen by 4 % on 26 %. All – world average is 31 %. We are on good way, albeit we are still under average.

Currently (2005) use the internet fourth of our population. They are alone desultory users, but it is too positive signal to the future. As for connection men with women with approach on Internet so we can compare with world average. (it is 36 % of men and 27 % of women). These dates inclusive of irregular users of internet, actually activ users on internet are distinctively less. We can take these dates too as that 31 % of users of internet have approach to internet, but we do not know nothing about the frequency. I also sometimes go by train but I don't think I'm the user.

Part of that active users can show the reseach of buying from internet. According that reseach ten percent of users have bought from internet. buyers are the most frequent users of internet. The reason against buing from internet is the problem with paying for goods. Before few days was showed reseach Gfk, according to it 34% of users have bought something from internet. When we focus at possibilities of other growing, it is surely limited not only interest of users, but also by big number of phone lines. The people who are on internet firstly, mostly use going on internet over the phone. Of course, number of users internet will be still higher in the future, but not ever Czech has phone line yet.

source : <http://www.zive.cz/h/Uzivatel/AR.asp?ARI=100758&CAI=2114>

According to Ernst and Young it should achieve till the end of 2005 smallsell on-line 10 - 20% from whole sell. According to reseach is 4400 respondents from 12 countries, who buy on-line, depressed by fees for delivering goods and they have sensitive reactions on prices, but on the other hand they still buy more on-line and they buy brighter sortiment of goods. The new of firm Ernst and Young shows that for year 2003 are appeared four tendention in still changed world of on-line selling.

Strategy of using more kind of selling is nowday kea for succes and in the future it will become important power. For everybody who offers the goods isn't kind of selling on-line only possibility but mainly necessity. The same user, who buy in the shops, is buying on.line just now. Users want in the buying on-line the same goods,which they inquire in the shops and they expect the same choose, quality of products, marks and the same skill into buying, and it is not important what type of selling it is. Consuments will still want from firms their technology goes how the users want. And its not only about speed of modem. According to carrigeous tips, according my meening, reseach of the firm Ernst and Young tips in the year 2005 sell in height 10 - 12% in categories like clothes, fashion accesories, cosmetics, farmaceutic products and toys. In the categories like music, books, software, video, electronics it should imagine almost 25% of selling. Category named like second started changes at the beginning and now lots of comodits is near to it.

Reseach of the firm Ernst and Young showed that selling on-line starts to have an influence on selling in stoneshops. More than half (57%) from whole number of consuments buying on-line and unbelievable 76% of that people which buy often on-line don't buy in the shops so often like before. Beyond that the reasons why consumers buy on definite servers are distinctively different from that what firms mean like reasons why consumers buy on their servers. Almost two third (64%) of clients buying on-line proclaimed, that good choose of goods is the main reason for them why to buy on the favourite server. On the contrary firms believe that reasons for visiting their server are utility, trust and appreciation of mark.

Research of the firm Ernst and Young confirms that USA have a jump before whole world in buying on-line. Rest part of the world, mainly English speaking countries, start accept buying on-line more and more in view of fact that more and more households buy computers and have an access to internet from home. In global criterion men are more dominated than woman and they represent almost two third nonamerican population buying on-line. On the other hand women represent almost half Canadian and Australian users buying on-line. In that imagine I'm a little afraid about wallets of us - husbands - in the time when that trend affect us like woman buying women's magazines, so internet shops will be buy fashionably too.

Interesting is european regional sight at internet shopping. Meal and drink make about one fifth of purchase in Great Britain (23%) and France (18%), whilst flowers are the most favourite in Switzerland where make 20% of purchase in compare 13% in Great Britain and only 11% in The USA. Consumers in Switzerland and Spain are on the first place in the financial services which make 21% of transaction on-line.

For a break in that territory we can take delivering of orders and it not only from aspect of fee but from the aspect time matter. The most significant element which daunt users from on-line shopping (46%) and the main reason why the customers decide not to realise the transfer (42%), is particularly that reality. Despite of it 89% of firms around all world choose fees for sending. Small part of firm ushered that make themselves delivering services like earning activity.

<http://www.zive.cz/h/Byznys/AR.asp?ARI=25799&CAI=2034>

2.2.4. Economical environ

That part of macroenviron realise mainly macroeconomical trends and plyes and from them resulting aspect development of business like single period agricultural cyclus. These basic trends follow lots of other factors - exc)hange rate, rate of inflation, size of purchasable demand, prise, size of interest rate, size of retirement, rate of unemployment, living cost, etc.

Macroeconomical influentials will rather stagnate and slowly fall in present year. The temp of growing GDP in the year 2004 was 3%. In 2005 is expected an acceleration of economical growing on the size about 2,8%. Despite of influence of possitive factors (like economical growing, foreign investments and various forms of active politics of employment) the slight degrease in demand of working power mainly in production sphere will be continue in the following period, with regard to intensify of operation restructalization and containing pressure on growing of productivity work. In 2005 is supposed achieving wholerepublic level of unemployment 9,8% with lasting regional differents.

2.2.5. Political - juristic environ

Political - juristic environ contains an influence of leading and political organs and organisations which formulate - from the state aspect - some farming, ecological, security, qualitive and health inquiries by the form of laws, public notices and rules. By these rules the goverment tries to protect bright widesociological interests and protects comsumers and producers fighter.

Law's questions are integral parts of internet and his own comertional using. The classical law's rules isn't possible to aplicate on "new electronical world" everytime.

There are lots of reasons:

Difficult application of some traditional rules of low to new conditions which primary adjustment didn't count.

Fast progress of computer's technologies and internet.

Very specific character of internet.

Specificity of information, activities and character of internet.

Difficult demonstrability of lots of activities.

Internet is some "net of nets" which doesn't belong to anybody like the unit. Internet like the unit isn't the thing from the justification of law's and that's why it can't be the object of property right of regular subject from the law aspect. Internet also isn't law subject and it can't do any law operations and it can't assume a right and responsibility either. Internet isn't the service either. Lots of services is only operated over the internet.

Mainly these section of law regard to internet:

Business law - law consequences of electric communication, new kinds and arising ways of contractual relationship, changover of laws and adventures, argumentativeness and usability of electronic documents.

Civil law - mainly protection of privacy and personality, business files, regulation of information and manner on the internet

Copyright - mainly distribution and protection of author craft, patents of inventions and licencions, business secret, . . . , specific is problems of domain

Criminal law - protection of information and software piracy, new ways of making crimes and new kinds of criminal activity, demonstrativeness of electronical files, fraud of computer services and information.

Especially these rules are the most essential in Czech law system for internet world:

Law about protection of privacy dates no. 101/2000collection - who fill the rules to all users of privacy dates to consider if only these dates, which are necessary, are used; to load safety device on protection of privacy dates and also registration like data administrator in Office for protection of privacy dates is also necessary.

Author law no. 121/2000collection - which nowadays protects virtually every programs and databases.

Law about electronical signature no. 227/2000collection - this law established an electronical signature to our system of law and it has the same position like own signature;law establishes also new notion appliance and we can definate with its help which signatures have needed law significance;it also estimates basic demands putting on subjects which Orfee services connecting with an electronical signatures.

Features of certain electronical signature which is made by safety instrument and with using qualificated certificate, are following:

- it's possible to establish undersigned person and check it's really the same person like the signature is (identification and genuing)
- it's possible to reckognise if the signated document has been checked from the time of its own signature (intrgration)
- it's not possible for undersigned person to deny authotity of it's own signature (nonrepundation)

The novel of The Civil Code no. 367/2000collection – that novel touches to consumer's contracts⁶, for conclusion of a contract is possible to use an instruments of communication on the distance which facilitate to do a contract without contemporary physical presentation of dialing sides;it's necessary to tell to consumer needed information in advance⁷.

⁶ It goes about purchase contracts, contracts about creature or some other contracts shaped in eight part of this law unless the consumer is the one side of contractor and the producer is on the second side

⁷ Information about business name, identification number and place of producer, name and main characteristics of gods or services, prices of goods or services including all fees, costs of delivery, method of payment, instruction about law on abdication of contract, costs on using communicating instruments on the distance and time in which offer or price stays. At latest before re-fill, the information about conditions and procedures for using law about abdication from contract have to be afford to consumer in writing; about services after purchases and about guarantees and also conditions for possibility to cancel contract, unless there isn't established the currency in contract or currency is longer then one year

2.2.6. Socially – cultural environ

Socially cultural level of community reflects in consuming and purchasing manner of clients, markedly affects whole character of demand, attitude to products, preference and motivation to consuming, purchasing activity etc.

Manner of the one man is formulated by his own personality (by individual features) and by affects of common nature either. It touches mainly to culture, religion, tradition of nation, family, emancipation and usual habits, which make basic value orientation of each person.

Internet has become component of our life. People who used the Internet first time start to use its possibilities in more sections. Despite of it in percent connecting with regard to reading books and looking at television the internet using stagnates.

In The Czech Republic read all of 75% people at least once a month some book and almost 50% looks at television broadcast minimally two-hours a day. Against that in 2000 only 16% people at least partly use possibilities of internet in CZ. This year it was already 28%.

Source: International Adult Literacy Survey (OECD); Euro, 30/ 20. 7. 2000

Internet has been used to by big global village. And like every village the Internet has its own official language. English is the mother language of internet and it probably according to suppose will stay dominant speech of this medium. Democratic character of internet makes possible to use speech which is near to every user.

Tab. No. 5

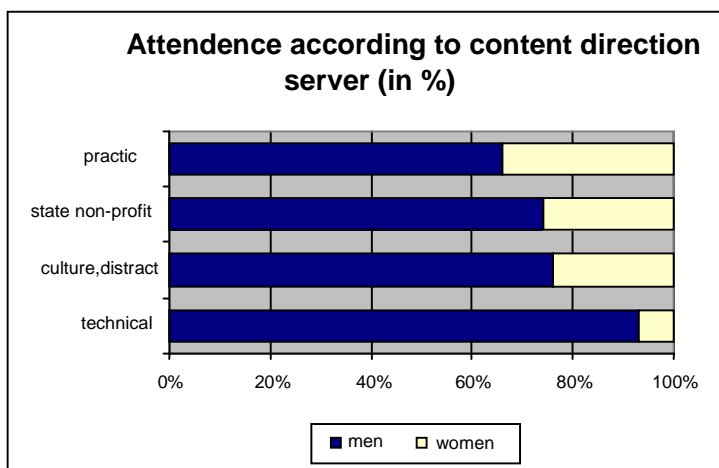
Languages on Internet v % (2003)

English	78,3%
Japan	2,5%
Deutsch	2,0%
Spanish	1,7%
French	1,2%
Chinese	0,6%
other	13,7%

source: OECD, Euro 13/ 27. 3. 2004

Visit rate of servers and character of searching dates also connect with sex of users. Women divine their own internet time markedly to searching practically focused information where their part achieves one third of representation. On the other hand men are the visitors of technically orientated servers (they make 93% of visiting).⁸

Diagram no. 5



Source: www.vyzkumyinternetu.cz;HN, 28. 2. 2003

Internet in The Czech Republic dislocated from the period of revolution fancied revealing and looking for its own face to the period of popularization bright using. This phase will

⁸ That research performed the company Network Media Service in September and December 2002 on the sample 4,687 users. Method Web User Meter was used there

be followed by dynamic growing not only number of everyday's users but quantitative and qualitative expansion of internet as the unit either (not only from the aspect of informatics and technological but in the sphere of electronic purchasing either, whereof the following chapters are divided to).

2.3. SWOT analysis of electronic purchase

Internal environment

Strengths

- Possibility of ordering goods at rest at home
- Easy comparing price of goods in more EO
- More information about goods is available
- Abridgement of distributive channel
- Saving time in compare with classical purchase
- Opportunity to purchase goods in foreign EO
- Perfect coverage around all world
- Still offer of goods
- Faster satisfaction of demand
- Saving of transits loads
- Bright Offer of products
- Anonymity
- Possibility to order goods from home
- Possibility to buy 24 hours a day and 7 days a week
- Delivery to the home
- Lower prices
- Possibility to buy in last time
- Firstly rival advantage – later rival necessity

- Faster sales channel
- New access to the target group of klient
- Building of persistent , individua relationships to klient
- Reduction of decission processes and by that also delivery of single products and services
- Increasing of efectivity and saving costs – profit cleaned from nonefectiv cista
- Increasing of company´s price
- Increasing of competitive strenght
- Getting and retaining clients
- Increasing of produktivity
- Frequent using of pitching in purchase (competitons, sells, etc.)
- Thanks to reduction operating costs and increasing of ability to react elasticly on inquires of market EO allows to firm to find out needed jump before competitive conduct

Weaknesses

- Incomplete and perfekt legislative
- Little trust of cliets and firms
- Problematic and less saved wals
- Not everybody is able to do with internet
- Low spread of internet at home
- Saving of work places (antisocial fall)
- Impersonal contact
- Purchasing experience is missing
- Information security
- Small sortiment
- Sometimes incomplete or misleading information
- Sometimes difficult attestation of truthfulness information

Outdoor environment

Opportunities

- Moving work of some profession over the internet (e-jobs, home-working)
- Supposing increase of internet users
- Increasing of internet baud rates
- Opportunity to speak to global market
- Increasing of quality thank to international competitive conduct
- New purchase opportunities
- Opportunity to get in on new markets
- Faster and more elastic change of information between company and clients
- Increasing of quantity information available with providers
- More effective and more economical cooperation with providers
- Shifting off of some duplicity acts which goes to the saving an administrative costs
- It makes possible automated commercial relation with partner
- High quantity of together saluted clients

Threatens

- Still more concurents
- Fast progres sof technologies
- Expensive and missing professionals
- For the prezent small numer of users

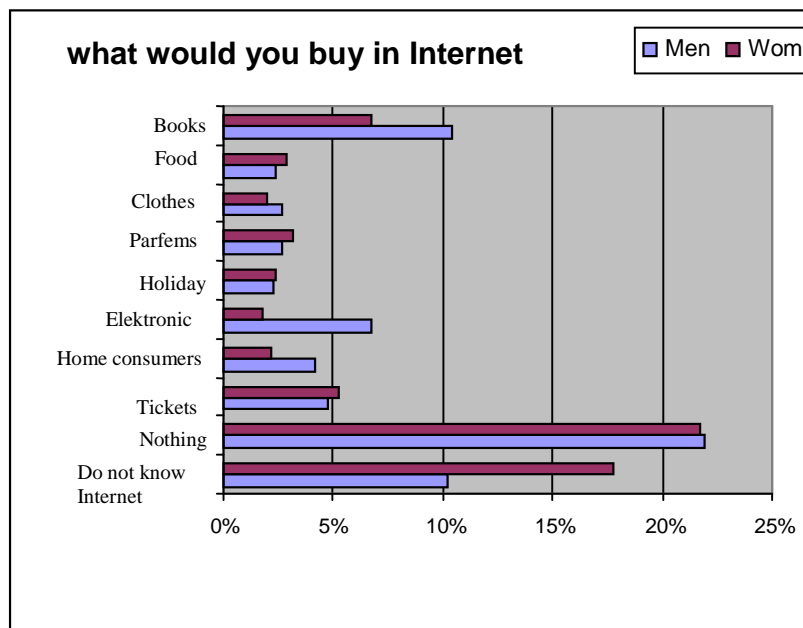
2.4. Purchases

“Where before you the step is, there already the route is.”

Publilius Syrus (philosophe)

From the market research of the firm GfK Great Britain⁹ followed on that 43,6% respondents would not buy any goods over internet. The most favourite in purchasing over internet are books and CD, tickets to the theatre and parfumes¹⁰. This research didn't focus only on Czech internet population but also on people who don't work with internet.

Diagram no. 6



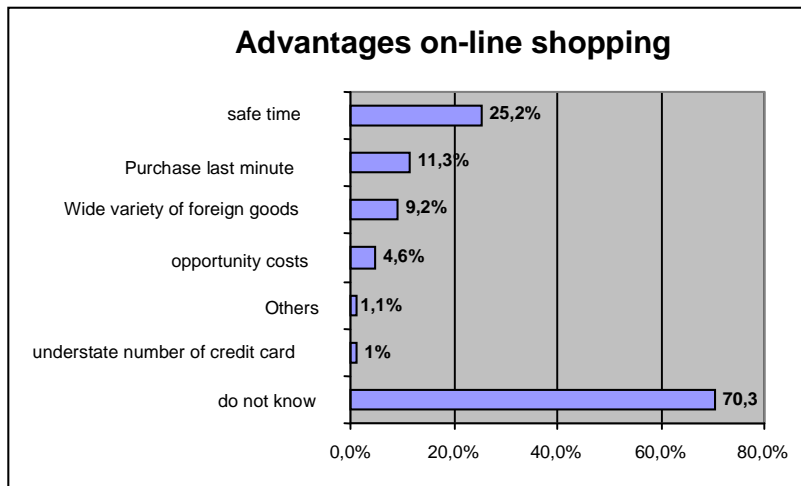
Source:<http://www.ekomerce.cz/ec/ec.nsf/0/C3E607FF53074142C125687E002575E>

⁹ Within the scope of research on-line purchasing the British firm GfK Great Britain checked in the end of year 2002 fully 1000 Czech respondents. GfK was accredited by company Intel.

¹⁰ Trust in goods over internet, according to sex of respondents, is taken to the parts in Supplement no. 4.

This research also considered by advantages which people see like possibility of purchasing over internet. Saving time is taken like the best contribution of on-line purchasing according to 25,6% of respondents.

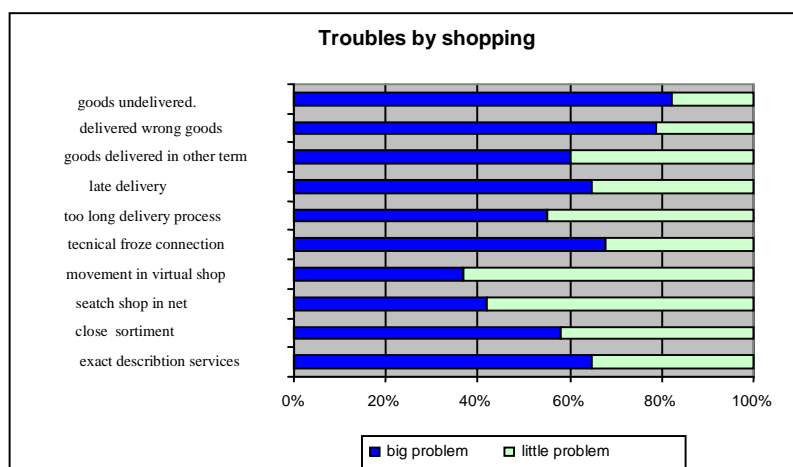
Diagram no. 7



Source: <http://www.e.kommerce.cz/ec/ec.nsf/0/C3E607FF537414C125687E0025752E>

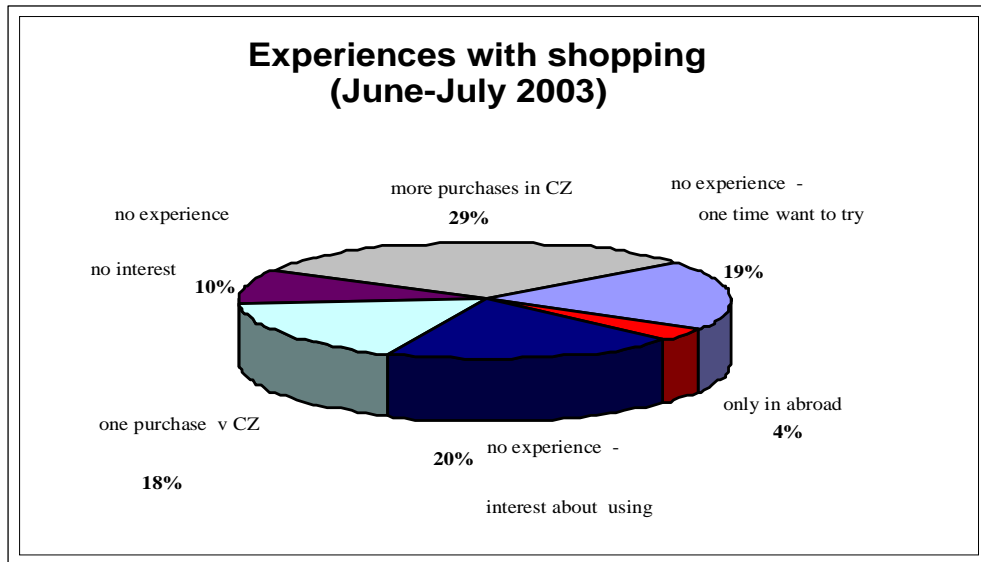
But purchase on- line brings lots of problems either. Main reason which deters from virtual purchase is impossibility to feel the product, touch it or try it. Big lacks are looked in the process of delivery order goods.

Diagram no. 8



Source: Healey & Baker, HN, 17.10.2003

Diagram no. 9



Source: <http://www.park.cz/pruzkum/opui.h>

Czech internet population has very positive attitude to purchase on “net of nets”. In spite of in July 2003¹¹ 49% of users didn’t have an experience with purchase in virtual web, only 10% of all don’t plane try it in the future.

Source: <http://www.park.cz/pruzkum/opui.htm>

Assortment which is possible to buy over internet is very wealth. According to dates of the nineteen biggest “clean” electronic shops¹² and shop stores of Czech internet, the biggest ply achieve sale of music, air tickets, white goods and books.

Ply of these assortments in year 2003 was higher than 3 million Czech crowns. Meaning of purchase music, musical porters and books is more significant about that average price of these commodity is relatively low. On the other hand small part of whole ply makes food, textile goods, cosmetics and toys.

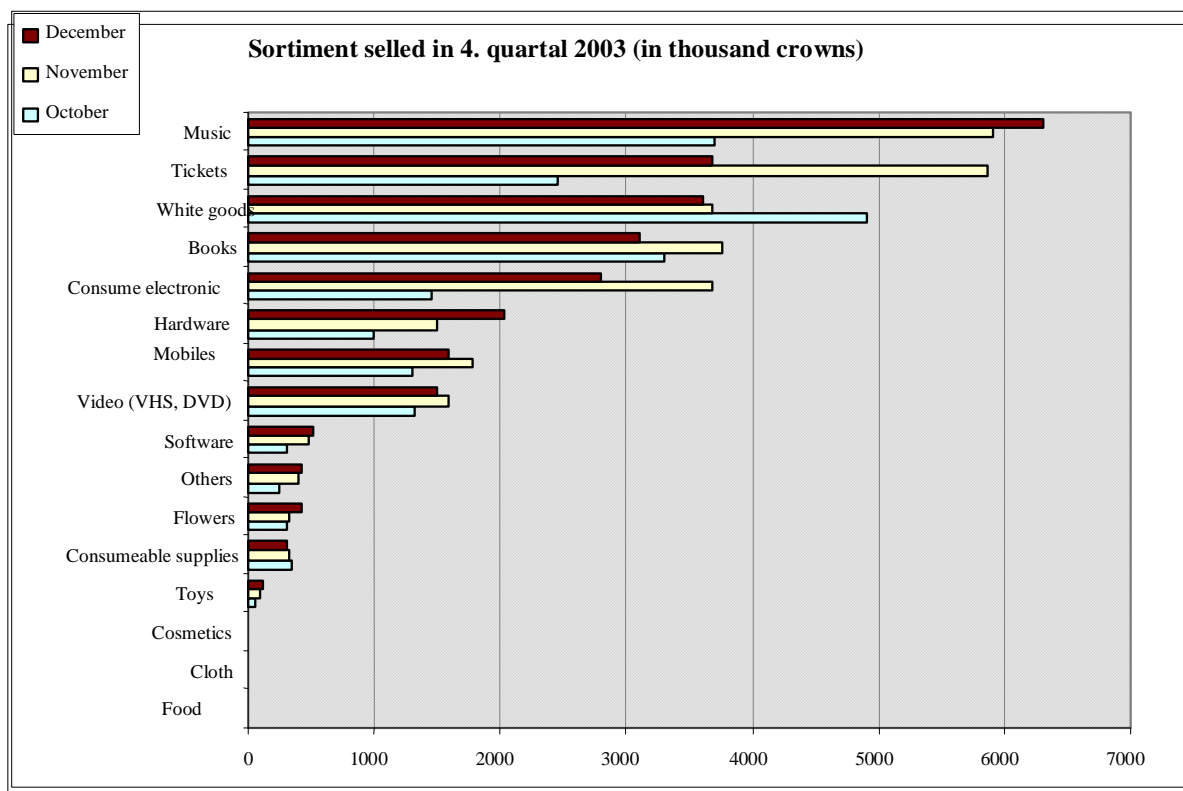
¹¹ That research of Czech users of internet realizes The Centrum for an electronic purchase (CEO). 5. Round of research was in the period June – July 2003 with sharing of 1,463 respondents.

¹² These shops sale only through their own internet presentation or these shops where internet purchase makes main purchase channel.

Total sale revenues of internet purchases in 2003 climbed up to the level 185,7 mil.

Czech crowns. The general drift shows that virtual form of purchase has found its own clients in Czech market after bewildered start. And with growing number of Czech internet users has been growing number of these who don't resist to virtual offer.

Diagram no. 10



http://www.novaekonomika.cz/index.php3?s1=0&s2=5&s3=1&s4=3&what=&limit=10&od=0&user_url=&m=1&typ=zpravy_hn&recid=8593

3. Theoretic ways out

“Marketing is sociable and leading process by which individuals and groups gain what they need and inquire through the creation, offer and through the change valuable products with other.”

Philip Kotler

3.1. Internet retail

Retail concludes every activities containing with sale of goods or services to the ending consumers for they private, noncommercial using. Retail is possible to characterize like area of flux. It still adapt to the changing needs and to the client’s wishes. Simultaneously it goes about strongly concursive environment. Changes to which goes in the market (and in the internet market are though its own nature faster and more markedly) make possible easier entrance of new competition to the retailing purchase.

Function of purchase

- a) change of the range of product (supplying) to the business range (class of service) – purchase ensures pertinent scope of range;
- b) overcoming different between place of making products and place of sale – purchase ensures selling goods on needed place where the consumer expect it;
- c) overcoming different between time of production and time of buying goods – purchase ensures promptness of sale or delivery;
- d) Ensuring of quantity and quality of selling goods – important is right choose of supplier, fast settlement of a claim...
- e) Initiative influencing of production – Chat about range, time, place, quantity and influencing of demand;
- f) Ensuring of rational supplying channels – with target to decrease selling price in relation to the level of supply;
- g) Ensuring right paying to the delivers.

Building of internet purchase, which isn't only by dry working paper but which is able to find clients and also qualitatively and elastically carry out the obligations to them, is the most difficult from standard internet activities. In retail (it's mainly about internet shop) is necessary to react very flexibly on every change to which is possible to see in market. Firms have to think very attentively about every parts of "retailing mix" in making their own purchase strategy which would be able to attract and keep customers.

If we want to have a profit from internet we mainly focus on making our quality web, propagation your goods and services than focus on e-commerce, straight sale that goods over internet.

Firm SuperPages.com carried out research perusing how the firms with different access behaved to the using of internet in 2002 and the results were very surprising: number of small and medium firms, which made their own webs last year through propagation, increased about 123%. On the other hand number of small and medium firms, which made their own webs last year mainly through selling their own goods over internet, decreased about 48%. Other research made in the same time by the same firm around clients show us that three times more clients poll on web the information about products, which they will buy in the stone shop than these which buy on-line.

Position of small and medium firms is totally different from position of big selling giants. Small firm has limited money for building e-shop and its prosecution; it often has only local reach or their product sells somebody other, e.g. retail chain. Into building electronic business has an entrepreneur dilemma: good business is expensive (different sources show number about 2 million dollar!) and weak business is for nothing because the rivals have better business. On the other hand doing some easy, static but despite of it informatively very wealth and benefit web is relatively easy and fast (very often it manage the firm by self-help) so economic return is relatively easy. State pursuit claims that 58% of small and medium firms reached for economic return in their selves (informative, promotional) webs; in 2002 it showed only 33% of firms.

It's necessary to tell that for majority of small and medium firms it is not profitable to sell over internet, but it doesn't mean that consumers won't buy over internet – maybe it will be obversely. Their purchase is focused on a few perfect, important and well-known shops which sufficiently entrance to their memory and which they will visit as automatically as they nowadays go to the parking lots next their favourite supermarkets.

Source <http://www.zive.cz/h/Uzivatel/AR.asp?ARI=25687&CAI=2114>

3.2. Communication

Very important is to establish targets of marketing communication on whose basic businessman make decision about choosing and using single component of communicating mix. Targets of marketing communication on internet are possible to definite by this ways:

- To give notice (and make different) – to make, increase or keep degree of recognition;
- To increase demand – to stimulate lasting or potential clients to the purchase;
- Preference – to create client's preferences;
- To build positive image – or make it stabilize

Businessman must use the publicity instruments for promotion and recruiting his own image. Marketing communication of internet purchase is possible to characterize with help of these elements of communication mix¹³ :

- Public relations – impersonal, directly unpaid form of communication about product or about firm of submitter (new about firm or product in independent medium, sponsorship...).

¹³ Last traditional element of communicating mix – personal sale, so process of influencing the client though personal contact lasts its own meaning in environ of internet.

- Sales promotions – stimulations of sales though usually short-term increasing of purchasing rate (presents, quittances, competitions, pointing programmes...)
- Advertising – directly paid form of impersonal communication about product or firm of submitter (stripped advertisement, advertising squares, text advertisement...)

Fig. no 6

Item	Loads	Advantages	Disadvantages
Advertising (Netvertising Webvertising)	Fees for advertising place	Mean, how intervene effectively lot of people. Relatively low loads (depends on quality, aim of communication)	Higher loads. Difficult measure of effectivity
Public relations (Publicity)	No direct fees exist undirect loads hold good relationship etc.	midmost source of informations	Very difficult pass off own statement in media.
Sales promotion	Different ways according to choose device	Efektiv mean of change conduct and preference costumers in short term	Easy to copy by competition.

Source: STUHLÍK, P. a DVOŘÁČEK, M. *Marketing na Internetu*. 1. vyd. Praha: Grada Publishing, spol. s. r. o., 2002. 248 s. ISBN 80-7169957-8.

PUBLIC RELATIONS are important instrument of modern marketing. We recognize four main acts in the scope of PR:

Relationships with the press – news except advertising space are more believable and more effectual than advertisement. Nowadays, virtual newspapers and magazines exist on Czech internet whose influence on public thinking of internet population is important and that's why it is important don't forget this virtual press. Despite of it classic paper prints don't lose its own meaning.

- Proprietary communication – mainly communication with target join and sustenance good relationships with expert and laic public.
- Building of proprietary identity – it consists with proprietary communication; it's varied with complex and long-lasting homogenous attitude.
- Influence (lobbying) - influence of state organs in order to support or reduction legislative and regulating inhibitions.

SALES PROMOTIONS include collection of different instruments of short-term character created for stimulating faster or bigger purchases of particular products. By sales promotion on internet businessman must try to increase loyalty of clients to the particular virtual business. Loyalty of internet clients is problematic. These consumers have changed virtual business also from the reason of small price convenience or some for of sales promotion¹⁴

It is possible to take over all common instruments of sales promotions:

- Quantity sales – very effective way how to provoke the client into one-shot purchase of higher quantity of products. Price of a few products of the same or different sort is lower than sum of prices alone bought products.
- Competitions, lotteries, games.
- Vouchers – this kind of getting discount into purchase of some particular product is possible with success retransform ate also into virtual form.
- Programs for members – on internet are the same like the retailing clubs have, which entitle to discount for every goods. Condition for membership is giving private information or paying admission fee.

¹⁴ According to research of NFO Interactive Company 47% of users internet prefer purchase with some form of sales promotion and to that virtual purchase are more loyalty.

- Free products and presents – award for purchase some product is giving some other product free or giving some present (present is different from free product by that present isn't possible to buy).
- Product for bargain price – goods which are close to purchase of some product possible to buy for bargain price.
- Presents certificates – provider doesn't choose some concrete product for presentee but he will buy certificate warranting a presentee for purchase random products in concrete virtual shop.
- Electronic money – some amount is added to the client's virtual account in concrete virtual shop like award for purchase products. Money is possible to draw only for purchase other products in that shop. By that is increased loyalty and it stimulates other purchase.
- Samples – sending samples though internet is an effective instrument because ordering of sample by customer is easy and targeting almost perfect.
- Possibility to give the product back without telling any reason – this instrument actively gets over con of purchase on internet to "touch" bought product.
- Guarantees on product – to have extension of guarantee than competitive conduct is an effectual instrument of sales promotion unless that pro is communicated. By long-lasting guarantee is decreased clients' threaten from purchase goods.

ADVERTISEMENT has for main target to influent buying decision of consumers. Substantive is an attraction of attention good targeting man, potentially promising client on the side of our purchase. Ways how to do it is a lot. The most important are:

- **Advertisement on internet** with help of banners, advertising squares and icons is in contrast to classic advertisement more interactive. Users can click on an advertising strip and find out information about offer product or service. This advertisement speaks only that target group which works with internet.

Advantages of internet advertisement:

- a) Targeting – campaign is possible adapt according to the country, region and ways of interest groups. It is possible to hold up it on particular days in the week, time parts during day and types of operating systems and servers of WWW sides.
 - b) Easy metering of users' reaction – it is possible to evaluate count of advertising projection on sides, it is possible to find out how big quantity of users reacted on advertising impartation by click (and went in on the description of product or service or even directly on order), it is possible to recognize on which servers the advertisement was the most effectual etc.
 - c) Deliverability and flexibility – advertising strips, squares, icons...can be projected every time 24 hour a day, 365 day a year. Advertisement is on internet sites projected still and continuously. It isn't necessary though it to break sites operation (how it is in television and radio broadcasting). If echo on advertisement doesn't correspond to expecting, it is possible to change advertising campaign with minimal costs.
 - d) Interactivity – it is main different between advertisement on internet and advertisement in classical medias. By easy click on projecting advertisement user can find out detail information about product or service.
- **Advertisements in printed and in the other not internet medias** – that form promoting of virtual purchase isn't possible to fully aim and it's necessary on asking of one potential client to portray an advertisement to wide spectra of people and it is very expensive.
 - **Quality indexation into searching centers** – setting of quality legacy on sites of internet purchase to the different searchers is very important form how to warn on itself. Users very often work with these locators and they use them for basic orientation on the net of internet sites. Good investment is for example favoured legacy in concrete specialized section¹⁵.

¹⁵ On server Seznam.cz (www.seznam.cz) e. g. in section *Purchases* → *Internet purchases* in locator Centrum.cz (www.centrum.cz) in section *Purchases and services* → *Purchases*, on Atlas.cz (www.atlas.cz) in section *Purchases and services* → *Purchases and shops*.

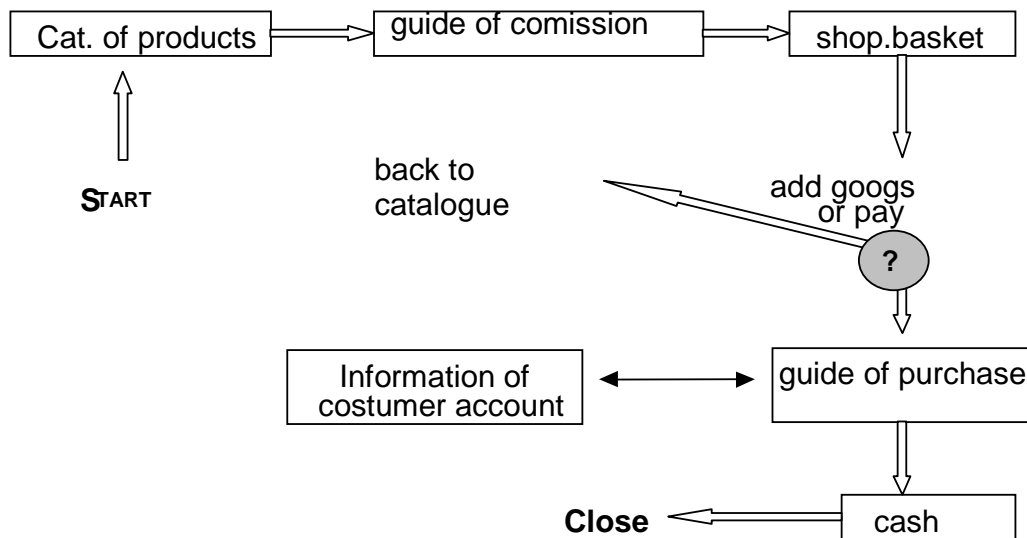
- **Unity and alliance with other webs or other medias with big scope** – single webs, which are united, reciprocally warn their visitors or other members of alliance; so-called „friendly servers“. Example of that alliance on Czech internet is for example family around idnes.cz.

Promotion by “enlightenment”. For example active participation in discuss groups, which divine to problems near to virtual purchase.

3.3. Decision about appearance and structure of virtual shop

Virtual shops or internet department stores are pre-set so that every customer who enters in would be able to orientate him very fast. Structures of selling server make possible for every consumer to find demanding goods without bigger problems and also offer to the client opportunity going between regales (shopping catalogue) at ease and only look at goods. Structure of common shopping server shows the following well-arranged scheme ¹⁶:

Basic structure of on-line selling server is made by following elements:



¹⁶ cimplement no. 6

- **Catalogue of products and services** – roundup of offered products is staple of the shop. Most internet shops offer wide selection of products and from the reason of bigger lucidity is sell goods adjusted topically into wee-arranged categories. The client can browse product categories which interest him and he can choose there some concrete product (e. g. white electronics → washing machines of mark Romo → concrete type of washing machine). Catalogue should contain detailed description of characters offering goods including actual price. To the standard of shop also depends possibility of fulltext searching according to pivotal words. Catalogue must be well-arranged and it must make possible easy orientation.
- **Reaction of consumers** – the space intended for consumers´ opinion on product is very often part of catalogue. By this way the future clients have an opportunity try to satisfaction of others with product about which they interested in too. Customers give a big weight to this kind of information.
- **Offer conductor** – Other step of purchase is an order. Goods which don't demand require adjustments or assimilation according to the clients is possible to set to the shopping basket immediately; e. g. CD, book, etc. (see shopping basket). But whole range products of these production inquire an adjustment (e. g. firm t-shirts) that's why between choosing product and giving to the shopping basket enters the other faze – acquirement of elaborating dates from a client (colour of t-shirt, size, number of pieces from each size, words of sign, colour of sign, its size).
- **Shopping basket** – A client order the goods by inserting to the shopping basket and he pay after finish of purchase. Shopping basket is a site which contains brief roundup of products from which a customer can choose. Similary like in the stoneshop also in internet is possible to add the goods to the shopping basket, give it back and find more detailed information about some product. Buyer has

also to the disposition costing through of lump sum for chosen goods eventually possibility of later purchase. **Pursuivant by purchasing of product** – A client gets to the finish of purchase after finish selecting of product. This period is possible to separate to the several steps:

- Choice a type of payment;
 - Specification of date and place of delivery;
 - Definition added elements of order (for example type of wrapping paper etc.)
 - Portrayal completely filled order with request about testimony of transaction.
-
- **The client account** – the client account is a file of basic dates about a client (for example name, e-mail, user name and password) with roundup his realized and delivered orders or now made orders. Clients can observe which of their orders were completed and send by post office, when they can expect a delivery etc. On the basic of these dates a businessman makes analysis with target to offer the clients better services. Some purchase servers memorize a number of computers, from which the client entrances into internet, so they offer to him in his other visit mainly these groups of products about which he interested in the past.

4. Application of theoretic ways out

“It isn’t true that customer has always true. And customer knows it. You know it either. Also your employees know it. In reality the customers are informed very badly. They aren’t sure what they really want to and they interested only in themselves. Who is interested in it? No, it isn’t important. If you want to achieve they will feel well, you must give them what they really want: satisfaction.”

Jeffrey Mount

president of company Wright’s Gourmet House

Ideal purchase doesn’t exist. It exists in the traditional world of stone shops and in the virtual net of internet neither. It can’t exist because each man, each consumer and each client is different. Imaginations about ideal are different¹⁷.

4.1. Recommendation and ways out for a firm

A firm has to count the world has changed and consequently on that also needed of people have changed. People are more and more absorbed by work and they have no free time for common things like going to the shop and that’s why I think they will be more use internet purchase. It will be more comfortable for them than spend an hours in the shop. During 5 – 10 minutes they will mark what they need and make a transaction. Of course, nowadays is a general drift and overwhelming majority buy in the supermarkets but one day will be needed competition on internet and that general drift will be broken. For example the electronics is nowadays cheaper than in the supermarkets and according to my opinion the spectrum of commodities will be more extend very soon.

¹⁷ Ideal – suitable to every inquiries, perfect, exemplary

Because internet is in itself progress far and competition abroad is stronger, I agree with the firm to orientate oneself on east markets including Czech market.

Czech internet population is already in principle specified target group which has the same interest about internet and work like that medium. Access into internet has according to Media Project¹⁸ about 25% of Czech population. According to different presumption is possible to take only 10 -14% of Czechs like active users.

Even if progress prognoses of user's number infer a general drift of total number of internet number, it hasn't been supposed that it will go to markedly change of their structure. That change will be rather slow.

From demographic environs of Czech internet arose the following factors which could be the most important in determination of the firm:

- Dominant men position in Czech internet population (79%)
- Average age of user gets about 28 – 30 years
- 73% of users ally from a job
- High scholarship level of users internet

Source: <http://www.park.cz/pruzkum/opui.htm>

Dominant man position in Czech internet population

75% of users Czech internet are men. This statement is interesting for businessman because it implies power of man element in that sphere. However how I put near in the previous chapters, during last four years women's relative portion on internet increased from less than 10% on contemporary 25% and this growth will probably go up. It put

¹⁸ Research MEDIA PROJECT 2003 is realized for SKMO (federation of communications and medial organizations) by federation GfK – TN Sofres – STEM/MARK on year's sample of 30 000 respondents In second and third quarter of year 2003 was asked more than 15 000 randomly chosen respondents in the age 17 – 29 year

near possibility of internet market in orientation on women. Their relative portion is still lower than signification of second sex indeed but general drift goes in the direction of growing women's component in the following years.

On the basis of these facts is possible to claim that in the contemporary time mainly men are interesting for the businessman, but with growing signification of women users of internet men's dominating position will degrease.

About signification of man – like consumer – on virtual market are Czech experts convinced. Assortment structure of purchases prompts to it. According to loom in 15. 3. 2003 were registered totally 2351 shops on locator Centrum.cz; 138 department stores and 2213 shops specialized on specific assortment and his depth. From this count dominate the shops with computer technology which make 12, 6%; 8, 2% of shops offer the communication technology and 7, 6% ¹⁹are the virtual purchase servers focused on consumer electronic. Men are supposed target group of rightly named assortment items.

But tally of the shops orientated on this assortment and their relative representation in total count of shops doesn't t mean that rightly these shops are successful.

The most of users ally from a job

Despite of growth number of these who ally on the virtual net from home (in the period from October 2001 to July 2003 the number of all users of internet who ally from home and who have access to that form of allying increased from 20% to 63%) still the most important part of users ally from the job (73%).

Because it goes about people who work with internet, so with computer, so these people are mainly civil servants and people employable in the offices (70, 6%). Working hours of these people are between 8 am – 6 pm. It is a date which has for economists big

¹⁹ Percentual separation of assortment of electronic shops you can see in Supplement number 6.

signification mainly because open time in “stoneshops” is the same like working hours of these people. Rarity is only centre of Prague and nowadays also supermarkets and hypermarkets which have open time extended to the night hours.

For these users it would be more time-advantageous to buy goods over internet, except of goods of day-needed.

Ally from a job also identifies time for selling of goods to firms like final consumer. For example computer technique (12, 6% of Czech electronic shops), communicating technique (8, 2%) but also office supplies (on office assortment is orientated 4, 6% of internet shops in the Czech Republic). Potential defraud is the advantage of voting these target group. Uneasy is position of electronic shops toward still supplier with which the firms fall in with plans.

High scholarship level of internet users

More than 37% of internet population has finished university, other 14% is studying university now and 40, 9% has finished secondary school. It is possible to suppose that with increasing number of users will their average scholarship decrease, but this decline will not be so radical from short-time aspect. High scholarship of users correspond with factor that $\frac{3}{4}$ of users ally from the job.

Summary of a target group

According to higher mentioned presumptions the class of age 27 – 35 years is the most appropriate and especially the widest target group for internet purchase, appropriate are also people with minimal secondary school and people working in the office.

4.2. Decision about services

A private element of sale

Some private element (other people in the shop, salesman) which has in traditional buying important role and which is significant psychological factor misses in buying on internet. It is needed to balance otherwise. The easiest form of wiring private element to internet presentation is to make possible telling own opinion on product for the clients. That is a way how is possible to not only complete an information about product from a consumer aspect but it also has a psychological effect (the shop is interested in how I'm satisfied with a goods – it is possible to call forward the client about his own opinion close to delivery of concrete goods or close to purchase – sell communication). Nowadays is this way of delivery products successfully applied on the sale server Vltava (www.vltava.cz).

4.2.1. Shop atmosphere

Personality of salesman put the finishing atmosphere of traditional shop. Internet possibilities are different. Technical. Atmosphere of the shop is possible to iron out by used colours. On the basis of colour psychology is possible to harmonize simple departments of purchase server in different colour combinations (e. g. department of bedding – dark blue; department of white technique – white; department of washing-up light brown...).

With technical pubescence of internet and with possibility of using new technologies and program application, the shop will adapt to clients wishes. Close to registration is possible to offer client some possibilities of preference colour-site combination according to his wishes and according to what is pleasant for him (nowadays the similar service has for example www.email.cz), to put the finishing touches to the shop with help of corresponding behinds (sale of kitchen washing-up – on behind can be some mild

picture of the kitchen). It again connects with speeding-up the internet allying in order to the internet “surfer” could fun his purchase and enjoy it.

4.2.2. Transport of a goods

Delivery time of order goods can't be long. Nowadays is 5 -10 days common standard of delivery time (www.vltava.cz, www.albumcity.cz), close to specific items which aren't common available is delivery time about 10 – 15 days. Costs on transport goods also play important role.

4.2.3. Other services

It is possible to insert there for example:

- sending goods as present including present package, congratulation on address of presentee...;
- possibility of sending catalogue news, discounts, final sale, specialties over e-mail;
- recommended votes, list with the most selling goods;
- competitions, questionnaires, extra discounts, everything what allures to more frequent visits or longer being on web;
- money back guarantee;
- test purchase²⁰;
- own electronic magazine about section to which the shop offer an assortment.

²⁰ Opportunity try to purchase roughly, every steps agree with these real and only the customer can tell it goes about trying purchase. For example Spotřebák.cz offers that opportunity on Czech market

4.3. Price decision

Price is only the one element of marketing mix which produces gains. In the following underchapture I will bring in some principles influencing price height of goods marketed though internet and I will focus on the progress ways of incomes for like this bought goods.

In term of internet it is very easy to compare prices of goods in different shops. That's why the price level of internet products will be still low. Luxurious goods make an exemption clause because it is goods whose purchase is prestigious bargain. In this case high price positively sketches in a total impression from purchase.

Prices of additional services influent result purchase price indeed but buyers don't divine so big attention to it like they divine to basic price of goods. High prices of additional goods (postage and package...) don't appear like suitable strategy for keeping a client. If a client has to pay in final faze for some product markedly higher prices than the basic prices of goods are, so it can conduct to the negative impression of total purchase or to the negative references.

Source: Petra Zmatlíková, a marketing manager, www.albumcity.cz

Internet streamlines the transaction costs and stimulates an economic activity. Banking transaction over internet costs 27 times less than transaction over the telephone, it can – and in the future surely will – have an influence on prices of goods sold thought internet.

source: <http://www.dkozak.cz/podpora/madia/marketing.htm>

4.4. Decision about appearance and structure of web sites

Marketing consultant Richard Siedlecki advises to every businessman, who wants to represent on web site, always show in full range of his own activities.

For a firm is especially important to prove induce though its internet sites close to its clients an also atmosphere of reliability and trustworthiness and gain that offer products or services pose quality and professionalism.

Important is himself *design* of home page. It must be clear and intuitive. Visitor must - if it is possible – orientate the most quickly and the most easily there and it applies to graphic form either. Portrayals should be appropriately big and conspicuous, visually descriptive and effective in order to a client could do a real picture about offer product, in order to a real colour agree with colour on web site etc.

It is necessary to change and keep web sites still fresh in order to a client find in every return there some new. Economizing on that space surely isn't the way to the success.

5. Summary

New market, which internet shapes, brings lots of possibilities of using in different spheres. Internet offers lots of opportunities and new technologies and with it connecting wide line of opportunities how to effectively use these opportunities. Its big opportunity is also in purchasing goods to the final consumers.

If a firm wants to open own internet shop so everybody can be a client of virtual shop uncared-for a region.

Men shape 79% of internet users – so they are potential customers of internet shop – but general drift develops by way of growing women's file in the following years. So we can claim that nowadays mainly men are interesting for a businessman on Czech internet but with growing signification of women's using of internet their position will decrease in the future.

The most acceptable and mainly the widest target group for electronic purchase in group in the age between 27 -35 years, people who minimally finished secondary school and work in the office. For these users it is timely more advantageous to buy goods over internet (beyond goods of daily need) because their working time is same like open time in the "stoneshops".

Marked competing advantage of electronic shop in compare with traditional shop becomes depth of specific offer. Internet offers possibilities for development of specialized shops with wide line of specific type of goods. In my opinion the space for assortment filling of virtual shops is in the offer goods of technical character (software, hardware), offers for free time (books, music, tickets, flying tickets, sport goods) and with regard to the age structure of users (27 – 35 years, people who establish a family and who build their own rear) also in the goods for accommodating standard.

Within the scope of internet and internet shops still higher signification will be attached to power of information about offer products. This signification will be attached not only to information of expert character (more technical parameter, feature of product, exactly dreamery of attests, certificates, hygienic norms, expert opinion of specialist), but also to information in form of consumers´ opinion on concrete product (form of private element purchase).

With technical adolescence of internet and with possibility to use new technologies and program applications a shop will assimilate to wishes of client (e. g. colourfull tuning of selling server). With improving of delivery chains the position of internet sell will be stronger and delivery time of order goods by consumer will be increased on minimum.

In the scope of internet is very easy to compare the prices in different shops. Because of it the price level of internet purchases will move on low level. Luxurious goods are surely an exception because its price elasticity is quite low. High price also positively put the finishing impression from purchase in this case.

Internet shops aim with defrayals for bought goods to internet banking and we can suppose this general drift will be stronger in the next periods. Keeping of traditional defrayals ways will continue as additional service but dominant position will poll credit transfers, micropayment systems and with regard to penetration The Czech Republic by mobile phone also technology GSM Banking.

Exes on internet advertisement in Czech market in the following period will increase in short-term period very markedly, so I think that general drift will be caught by electronic shops either.

With regard to supposal increasing literacy of Czech citizens is possible to suppose the advertisement on virtual purchase will appear also in printed magazines, in daily newspapers, in radio, in television or on billboards.

With development of internet the accent will be put on structure of electronic shop in order to comfortable purchase of a client, fast purchase and purchase without complications and also in order to virtual shops could become useful alternative of realized purchases.

Internet has grown in new interactive and dynamic medium and offers lots of possibilities how to use it. In the sphere of selling products to final consumer the electronic purchase in The Czech Republic has taken a position at the market and though the quality an quantity of expansion it looks for its own more expressive shape. With growing number of internet users and its more effective technical possibilities its position will be still stronger in the future.

6. Conclusion

I sketched out new possible ways of progress an electronic purchase at consumer markets in The Czech Republic in my diplom work. That topic spoke to me mainly from the reason interest about internet and its possibilities and potential.

During my work on that question I found out lots of new knowledge and information about present posture of internet purchase and about its other ways of progress. The problem was only difference and dialectics of single available dates depending on specific and not complex research of internet.

I see the signification of my work in sketching out the prognosis of single progress specific spheres of internet purchase.

I think I prepared by my work another space for other students who can in the following period compare my conclusions with new future situation and who can try to sketch out other progress again. Internet world is so dynamic that that comparing will surely have its own signification.

7. List of complements

Complement no. 1 – progress of places connecting to internet

Complement no. 2 – the most visited servers

Complement no. 3 – types of needs

Complement no. 4 – trust in purchases through internet

Complement no. 5 – participants of result Deloitte & Touche about electronic purchases

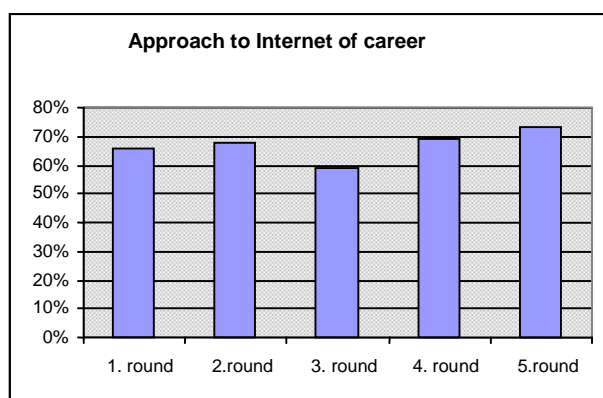
Complement no. 6 – assortment of electronic shops

Complement no. 7 – working focusing of users internet

Complement no. 8 - members servers IMS

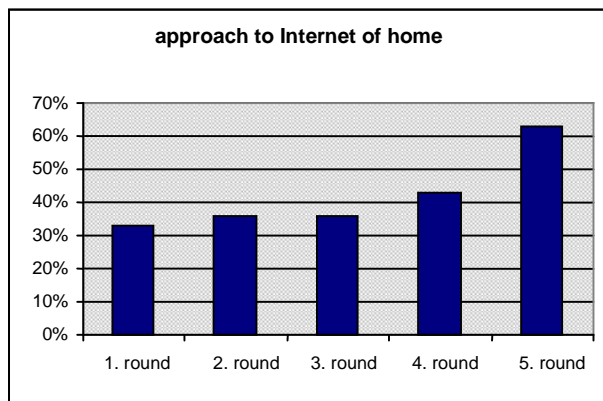
Complement number 1

Progress of places connecting to internet²¹

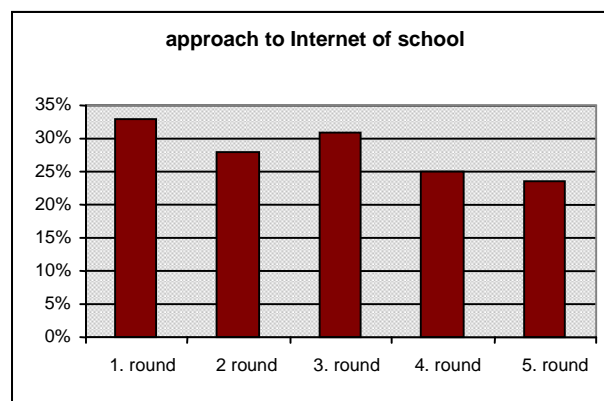


Source: <http://www.park.cz/pruzkum/opui.htm>

²¹ That research realizes Centrum pro elektronický obchod (CEO), <http://www.park.cz/pruzkum/opui.htm>; time running of single rounds: 1. round: October 2000 – January 2001 (1542 respondents), 2. round: February 2001 – September 2001 (2014 respondents), 3. round: October 2001 – March 2002 (1008 respondents), 4. round: May 2002 – October 2002 (1768 respondents), 5. round: June 2003 – July 2003 (1463 respondents).



Source: <http://www.park.cz/pruzkum/opui.htm>



Source: <http://www.park.cz/pruzkum/opui.htm>

Complement number 2

The most visited servers (monitored by service Navrcholu.cz)

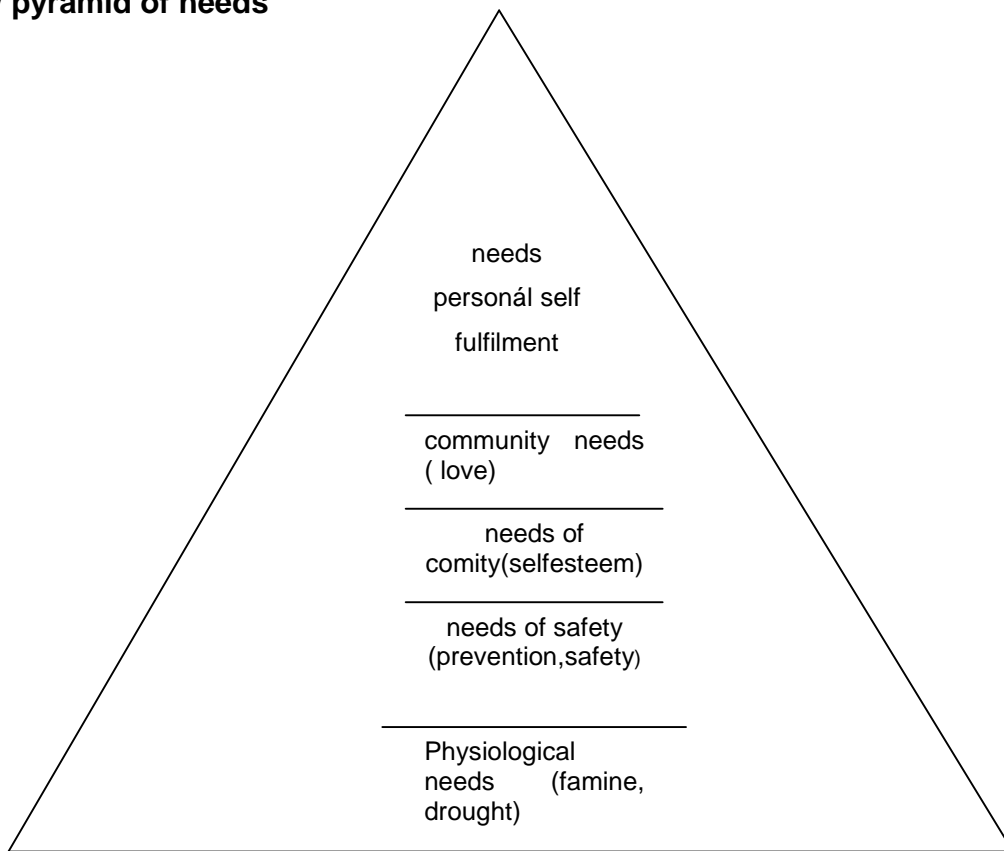
Region	Amount of accession	%
Services	6 361 196	39%
Internet	5 014 863	31%
Media	1 697 906	10%
Cars	1 400 420	9%
Leisure	750 420	5%
Travel	457 899	3%
Games	230 420	1,5%
Distarct	212 504	1,5%
Total	16425628	100%

Complement number 3

Types of needs

- **Biogenous** – evoked by psychic strain of biogenous character (hunger, thirst, impression of uncomforting...).
- **Psychogonical** – we comprehend it like desire allowance, seriousness, solidarity...; the most psychogonical needs is not so expressive to close in force individual man to satisfy them immediately.

Maslow pyramid of needs



Complement number 4

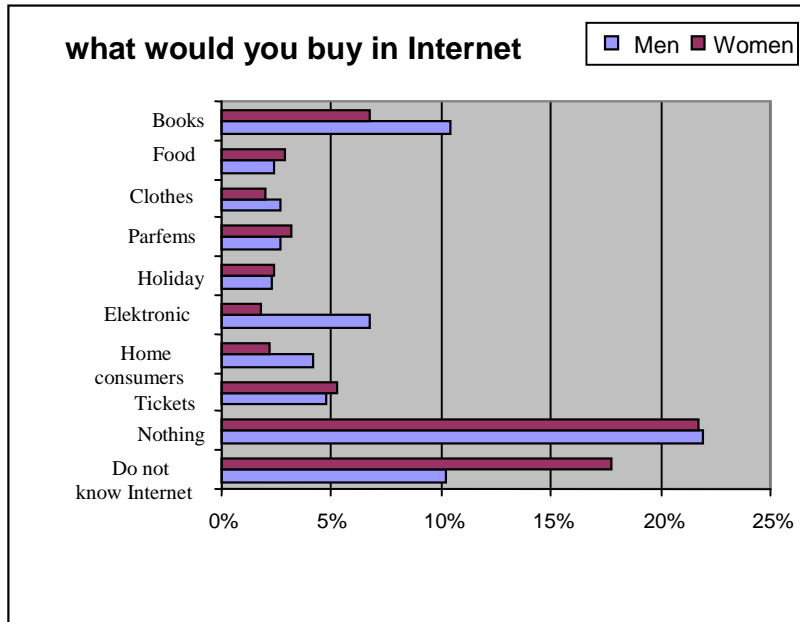
Trust in purchases though internet

From the research oh the firm GfK Great Britain²² followed on the different between men and women in willingness to buy on-line. According to this research mea are more willing to realize their purchases though internet site. Men buy books, electronic and household appliances markedly frequent than women. Women are more promiscuous to buying perfumes or food.

²²

Within the scope of research on-line purchasing the British firm GfK Great Britain checked totally 1000 Czech respondents in the end of 2002. Gfk was encharged with this work by Intel Company.

Source: <http://www.e-kommerce/cz/ec/ec.nsf/0/C3E607FF53074142C125687E0025752R>



Source: <http://www.e-kommerce.cz/cz.nsf/0/C3E607FF53074142C125687E0025752E>

Complement number 5

Participants of result Delloite & Touche about electronic purchases

Czech electronic shops which participated to research of agency Delloite & Touche in third quarter 2000.²³

²³ Source: <http://www.novaekonomika.cz/index.php3?s1=0&s2=5&s3=1&s4=3&what=&limit=10&od=0&user url=&m=1&typ=zpravy hn&recid-8593>

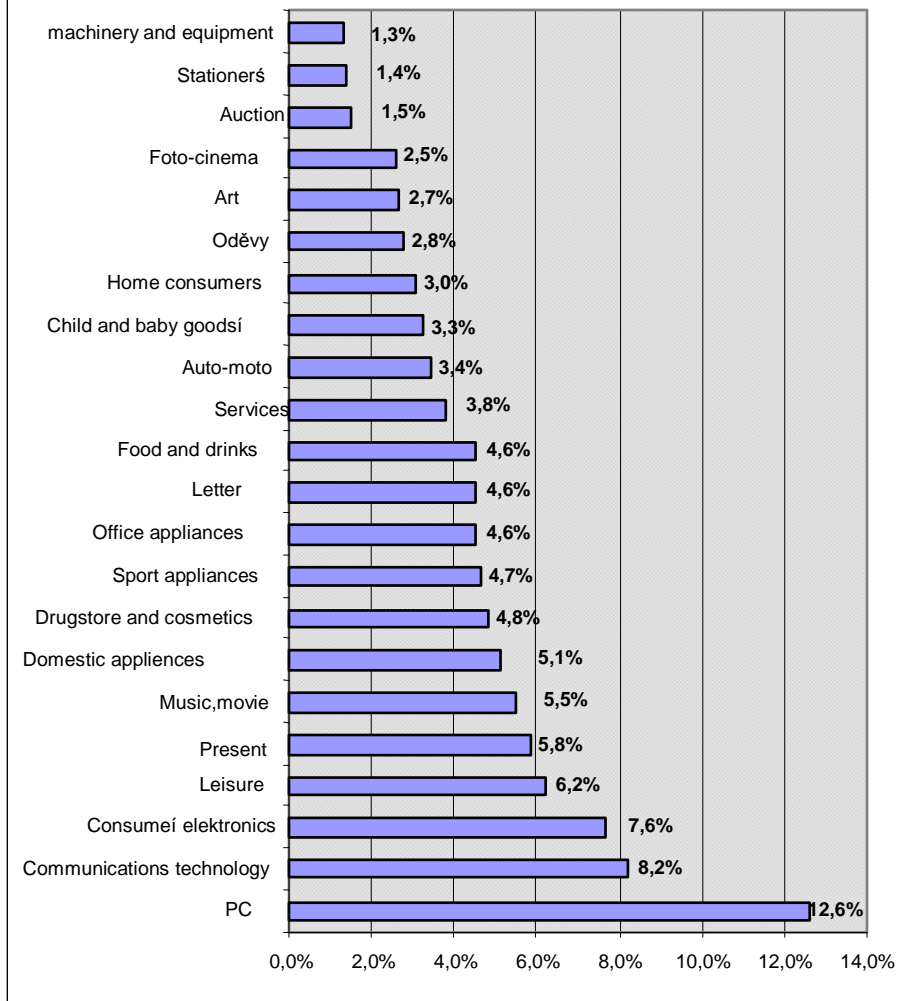
Name of store	URL
AlbumCity.cz	http://www.albumcity.cz
Bilezbozi.cz	http://www.bilezbozi.cz
Bontonland.cz	http://bontonland.cz
CYBEX Online	http://www.cybex.cz
Český Amazon	http://obchod.stranky.cz
DVDexpress.cz	http://www.dvdexpress.cz
Fractal	http://www.fractal.cz
Internetový obchod Vltava	http://www.vltava.cz
Internetový obchodní dům PATRO	http://Patro.cz
Istore - spotřební materiál	http://www.istore.cz
Knižní klub	http://www.knizniklub.cz
Kosmas	http://www.kosmas.cz
Květiny Bohemia Flowers	http://www.e-kvetiny.cz
Musica Bona	http://MusicaBona.com
Obchodní dům.cz	http://Obchodni-dum.cz
Pameti.cz	http://www.pameti.cz
Pokémon Shop	http://www.pokemanie.com
SHOP.CZ	http://www.shop.cz
Spotrebak.cz	http://www.spotrebak.cz

Complement number 6

Assortment of electronic shops

On searcher Centrum.cz is registered totally 2351 shops; 138 department stores and 2213 shops focused on specific assortment and his depth.

**Internet shops on Centrum.cz
(15.3.2003)**



Source : 15.3.2003; www.centrum.cz

Complement number 7

Working focusing of users internet

Career of users Internet

function in region of informatics	18 %
student	22 %
professional function (teacher...)	15,4 %
entepriser	14,2 %
function in region marketing	11,1 %
function in region ekonomics	7,5 %
manager	4,3 %
labour profession	3,8 %
others (retired population)	3,6 %

source www.park.cz, 5.round research of users internet

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