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Plan to dynamize and develop the Home and Décor category of the FNAC e-marketplace

Company Project

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ABSTRACT

Over the last decade, the emergence and evolution of e-marketplaces in the Portuguese digital market have been remarkable. This paper presents an analysis of FNAC's internal situation, its position in Portuguese e-commerce, and especially the current context of its platform, a pioneer in the e-marketplaces market in the country.

The FNAC e-marketplace has a huge variety of categories. However, the Home and Décor category was selected for this case study, as it is a category with a lot of development potential and has been performing below expectations.

That said, in accordance with the aforementioned analysis, a plan will be proposed to dynamize and develop the Home and Décor category in FNAC's e-marketplace. The proposals were designed in two strands. On one hand the user journey of the category consumers, and, on the other hand, the capture and dynamization of the category sellers.

To this end, proposals will be presented focused on potential new sellers in the category, as well as focused on the development of current e-marketplace sellers. On the other hand, will also be presented proposals focused on potential new customers in the category and focused on the development of FNAC's current customers.

The high level of FNAC’s brand awareness among Portuguese consumers was taken into account and an action plan composed of Integrated Marketing Communication and Performance Marketing actions was considered, working towards 2 main objectives: increase sales and the awareness of the Home and Decoration category, within the FNAC e-marketplace.

The objective of this document is to present a holistic development plan for the dynamization and development of the Home and Decoration category within the FNAC e-marketplace, which will translate into an increase in sales. The objectives, the action proposals, and how to monitor the development plan results.

Keywords:

e-marketplaces; FNAC; Home and Décor; e-commerce; sales; sellers; clients

RESUMO

Ao longo da última década, o surgimento e evolução dos e-marketplaces no mercado digital português tem sido notório. No presente documento é apresentada uma análise à situação interna da FNAC, à sua posição no e-commerce português e, especialmente, ao atual contexto da sua plataforma, pioneira no mercado de e-marketplaces no país.

O e-marketplace da FNAC conta com uma enorme variedade de categorias, tendo sido selecionada para este estudo de caso, a categoria Casa e Decoração, por ser uma categoria com muito potencial de desenvolvimento e apresenta uma performance abaixo do esperado.

Posto isto, em concordância com a análise anteriormente referida, será proposto um plano de dinamização e desenvolvimento da categoria de Casa e Decoração no e-marketplace da FNAC. As propostas foram desenhadas em duas vertentes, por um lado a user journey dos consumidores da categoria e por outro a captação e dinamização dos vendedores da categoria.

Para o efeito, serão apresentadas propostas focadas em possíveis novos vendedores da categoria, assim como focadas no desenvolvimento dos atuais vendedores de e-marketplace. Por outro lado, serão ainda apresentadas propostas focadas em possíveis novos clientes da categoria e focadas na dinamização dos atuais clientes da FNAC.

O alto nível de notoriedade da marca FNAC junto do consumidor português foi tida em conta, e foi considerado um plano de ação composto por estratégias de Integrated Marketing Communication e Performance marketing, trabalhando em 2 objetivos principias: aumentar as vendas e a notoriedade da categoria Casa e Decoração, dentro do e-marketplace da FNAC.

O objetivo deste documento é apresentar um plano de desenvolvimento holístico para a dinamização e desenvolvimento da categoria Casa e Decoração dentro do e-marketplace da FNAC, que se traduza num aumento de vendas da mesma. Foram apresentados os objetivos, as propostas de ação e a forma de monitorização os resultados.

Palavras-chave:

e-marketplaces; FNAC; Casa e Decoração; e-commerce; vendas; vendedores; clientes

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1. INTRODUCTION

FNAC is a very well-established retailer in the Portuguese market. Its brand has high levels of awareness among Portuguese consumers, bearing in mind that has been operating in the Portuguese market since 1998 when it opened its first store in Centro Comercial Colombo. Moreover, its operations expanded from physical stores to the digital world a year later, through an e-commerce-focused website. In 2013, the company launched the first e-marketplace operating in the country, providing the first contact of the Portuguese population with this sales channel. Furthermore, this innovation empowers smaller Portuguese businesses, that otherwise wouldn't have an internet presence, by allowing them to commercialize their products through this digital sales channel.

In accordance with the company's e-marketplace expansion business strategy, the FNAC e-marketplace operates in a variety of different categories, with the goal to become an online one-stop shop. However, this paper aims to create a development and dynamization plan for one of them, the Home and Décor category. Recently, Portuguese consumers have been witnessing a constant growth of the Home and Décor brands' internet presence and the evolution of its e-commerces. Nevertheless, this category also increases its performance in the FNAC platform in the past couple of years, but since the beginning of the present year, its performance has been way below expectations.

Bearing this in mind, this will be the category analyzed throughout this document. Moreover, a dynamization and development plan will be presented for the Home and Décor category of the FNAC e-marketplace, laden with actions proposal that will, ultimately, aim to increase the category's sales volume and awareness.

2. THEORETICAL CONTEXT

2.1. Decision-making process

Electronic commerce, also known as e-commerce, is increasingly being used globally as a method of purchasing goods and services. Currently, picking the correct and most advantageous product or service may turn into a draining process, mainly due to the wide array of available products on retailers' websites, which may be overwhelming. (Mican & Sitar-Taut, 2020). Furthermore, according to Eisenfuhr (2011), decision-making is defined as the process of choosing from various alternatives, with the goal to achieve the desired result.

Katawetawaraks and Wang (2011) analyzed the online purchasing decision-making process by comparing offline and online decision-making and identified the factors that prompt clients to decide whether to purchase or not. The analysis concluded that the communication and marketing strategies must be dissimilar to achieve higher effectiveness in influencing the process online and offline. On the other hand, Mican and Sitar-Taut (2020) concluded that consumers take into consideration their own research on the products information, analyze different assessments and consider other consumer's products reviews. The whole process may be described as a chain of events. Firstly, the problem recognition, followed by information research, then the evaluation of alternatives, thenceforth the product choice and, finally, the outcome (Solomon, 2010).

Other studies considered the use of social media, word of mouth (WOM), and electronic word of mouth as means that may influence online purchasing decision-making. Firstly, social media provides a vast set of opportunities to fortify the relationship between a brand and its audience (Kostyra, Reiner, Natter & Klapper, 2016). Furthermore, word of mouth may influence the purchasing decision-making process through its content, its positive or negative valence, and through the observation of other consumers (Wang & Yu, 2017) which will ultimately lead to consumers sharing their experience with the brand with its peers, digital fan-base or writing negative product reviews. Finally, the online information of each brand may be distended through electronic word of mouth, by manufacturers or retailers, and, by neutral or third parties (Yan et al, 2016).

The wide variety of alternative products, from different suppliers, allows modern consumers to focus on factors, such as speed and convenience of purchases while selecting the desired product on the internet. (Katawetawaraks & Wang, 2011). The products' packaging must have branding. The commercialized product brand's image may influence the consumer intention to purchase by reducing perceptions of risk, and thus, influence the decision-making process (Aghekyan-Simonian, Forsythe, Kwon & Chattaraman,, 2012). Moreover, other studies concluded that the consumer's perceived relative price and perceived product value may influence the desire to buy a product (Beneke, Flynn, Greig & Mukaiwa, 2013).

Solomon, Bamossy, Askegaard and Hogg (2002) concluded that three main scenarios may alter the consumer decision-making process, routine response behavior, limited problem-solving, or extensive problem-solving. These scenarios may be qualified from left to right respectively, as the capacity of problem resolution of each individual. The author designed a schematic model, where according to the consumer scenario moment, the decision may overfall from low-cost products to more expensive products, from frequent purchasing to infrequent purchasing, low consumer involvement to high consumer involvement, familiar product class and brand to unfamiliar product class and brand and, finally, little search or time spent to extensive search and time spent.

2.2. E-commerce and e-marketplaces

Unarguably, in the past couple of decades, we have been witnessing the growth of electronics in our daily lives. There are some electronic devices that modern developed societies consider indispensable tools for future urban development, for example, mobile phones (Wang, Zhou & Wang, 2021). Also, in a common individual's routine, either at work, on public transport, or at home we are surrounded by audio systems, video systems, or home appliances electronic (Boström, 2020). Electronic devices and various kinds of entertainment associated with shopping, make each individual experience social confirmation through our behavior as consumers, thus, we learn to love consumption (Schor, 2005).

The globalization phenomenon added to the electronics growth has opened the path to the development of global networks which, furthermore, catalyzed the increase of consumers' digital behaviors through innovations (Skare & Soriano, 2021). We are living in an always-connected society and, thus, it is only natural for commerce, one of the most ancient forms of generating income, to develop in that regard. Although consumers have been constantly embodying digital buying in their buying patterns, they haven't abdicated from regular physical store shopping (Hsiao, 2009).

As a result, companies have been adapting their business models to the new digital era and its tendencies, therefore, investing in websites and online sales as an additional source of income (van Tonder, Schachtebeck, Nieuwenhuizen & Bossink, 2020). Consequently, brands can increase their presence in the online universe by having their own online sales channel and/or integrating B2C marketplaces.

There is a basic concept that must be well understood before debating or participating in any marketplace's activities: the difference between a product and an offer. A product is defined as an article or substance that is manufactured or refined for sale. An offer is defined as a conditional proposal made by a seller to sell an asset, in this case, a specific product. In an electronic marketplace, each product must have its own website page, where the sellers' offers are displayed.

E-marketplaces are among the newest sales channels and, with the most recent lockdowns across the world, increased invoicing volumes and popularity amongst clients, catalyzed by general e-commerce growth. There are three participants in an e-marketplace transaction: the marketplace owner, the seller, and the buyer (Standing, Love, Stockdale & Gengatharen, 2006). The e-marketplace owner can be defined as the owner of the electronic platform where the transactions occur (most of the time are well-established brands with high recognition and brand power), they are responsible for the platform maintenance and sellers' management (depending on the platform, they may be responsible for claims management, when there are disagreements between the seller and the client). The seller is the company that is commercializing goods or services through that platform (Turban, Sharda, Aronson & King, 2008), they are responsible for providing accurate information about stock and price, order management, and customer care of their offers. Finally, the buyer is the client, that buys the seller's products or services through the platform.

Hereupon, e-marketplaces are defined as e-commerce websites that provide a connection between sellers and buyers to perform online transactions (Dew, Hidayanto, Shihab & Zhu, 2017).

2.3. What makes a successful e-marketplace?

First and foremost, any website that will support commercial transactions must have well-established foundations, which allows it to perform well according to e-commerce 101, for example, having a fast-loading speed and good User Experience practices.

Secondly, for an e-marketplace's proper functioning, it is imperative to have high-quality sellers, with interesting and diverse catalogs (Chu & Machanda, 2016). The integration process and the sellers' KPI control play a key role in guaranteeing this premise.

When entering an e-marketplace, there should be a well-organized integration process. According to the FNAC general selling conditions in Marketplace, it may start with the registration of the sellers' shop. Then the Know Your Customer (KYC) process is where a licensed department or third-party financial company should check the seller's background, financial activities, and equity distributions. If it is approved, the seller must register its catalog in the platform database, it can be done through either sharing product specifications or using third-party partners such as Mirakl. To finish this initial process and make the products available in the platform, the seller must upload its offers, through the Stock and Price CSV template file, API connection, FTP server, or manually (mostly low quantity offer's seller). Most e-marketplaces are managed through EAN codes. This integration process was described according to the actual process of Portuguese e-marketplaces.

As the intermediary, the e-marketplace owner can restrict its seller activities in the platform by blocking its payments for a period or even closing its store and retaining the payments until

the end of its sold products' warranty. In addition, the owner may place a trial period, where the seller must conclude a predefined number of orders while having its payments blocked, allowing the platform's key accounts to analyze its service level and either accept or reject the store in the platform. If the store is rejected, the platform will keep the invoicing of the shop until the end of the sold products' warranty in case a refund from one of its orders is needed (FNAC, 2022).

There should also be well-structured commercial conditions. High commissions may reduce some sellers' interest to operate in the platform and, thus, affect the overall potential of an e-marketplace (Brush & McIntosh, 2010). The commissions must be adapted to each category since each often allows different profit margin possibilities to the seller – one must add the commissions to the product costs and still achieve profit either from low-profit margins and high sales volume or higher profit margins per sale.

In addition, some e-marketplaces include the payment of a monthly fee (Zheng, 2006), such as Amazon for example. Free monthly fee offers may be proposed as a negotiation tactic to allow the seller to try out this sales channel and, if it's a foreign seller, try out the Portuguese market.

Finally, the key account's team should actively engage in seller's management activities, in order to guarantee the quality of its sellers, bearing in mind it will influence the platform client's satisfaction and, thereby increase the whole platform value (Galbreth, March, Scudder & Shor, 2005). For instance, being aware when a shop decreases below the accepted KPI's standards of the platform, such as orders acceptance rate, refund rate, evaluation average, or claims rate.

The e-marketplace management team should also assure that the seller is actively answering their clients' questions or concerns about the orders and following the consumers' laws in the jurisdiction in which the platform operates. According to Eisenmann, Parker and Van Alstyne (2011), the platform must mediate the interactions between its sellers and clients to assure the proper sales channel functioning.

For a greater e-marketplace operation, the team must guide its sellers through the platform's operational processes (Chen & Zhu, 2021), for instance, by creating tutorials and being available to support sellers on a regular basis.

2.4. Brand, the power of attracting consumers in the digital

A well-established brand, that has a relevant market share in their sector, tends to be well-recognized by general consumers. When those consumers enter a physical shop of a well-known brand, intrinsically, they know how the transaction will proceed smoothly. This generates trust, that will naturally convey to that brand's digital business (Wang & Chen, 2012). This lack of credibility often affects smaller businesses, not well established in the sector they

operate, especially, their e-commerce, where clients are more concerned about the safety of their money and data.

Bearing this in mind, when a well-established brand also operates an e-marketplace, smaller businesses may operate as sellers in it and place their products there, where they will benefit from the brand's credibility.

Secondly, with the growth of e-commerce and digital businesses, safer transactions are amongst the biggest clients' concerns when engaging in the online buying process and, thus, consumer trust is an imperative bearing in mind they need to share sensitive personal, corporate or financial information (Prihastomo, Hidayanto & Prabowo, 2018). This kind of platform allows smaller sellers to remove that obstacle from the conversion equation.

Ultimately, bigger brands' websites tend to generate higher traffic levels, not exclusively because of the structural, operational, and marketing financial investments, but also because of the wide client portfolio, these brands possess through their physical operations.

2.5. Consumer engagement

Every business needs its customers to generate profit and, thus, keeping customers satisfied must be among the company's priorities. Satisfied customers are more likely to interact with the brand, share their satisfaction with their peers, buy products regularly or even avoid buying from the competition.

Loyalty and satisfaction in commerce are concepts that permeate each other. (Oliver, 1999) And this extends to online businesses. More satisfied consumers will likely come back to the website often, to see new offers and to learn more about the brand, its values, and communication. In an e-marketplace, the owner may create synergies between their digital shop and his physical shops in order to create a more personified delivery and, thus, consumer satisfaction and loyalty. For example, the "click and collect" shipping.

"Click and collect" is an e-commerce system where customers order goods online and pick them up in a specific collection place in the store (Pantano & Vannucci, 2019). If a client picks this shipping mode, they can freely choose the time they want to collect the order without being restricted by delivery schedules.

2.6. Integrated Marketing Communication

According to Conelissen and Lock (2000) since the mid-twentieth century, successful organizations attempt to present a consistent message across the available promotional mix elements. However, the first study on the concept was conducted at the end of the 1980s and published in 1991 by Caywood, Schultz, and Wang, only two years later, the concept's theoretical ideas were published in a book, ''Integrated Marketing Communications'' by Schultz (1993). Integrated Marketing communication may be defined as the planning process that will

guarantee that all communications received by a customer are relevant and congruous throughout the whole consumer journey.

The communication messages may be consumer-oriented or technology-oriented, depending on its goal, which may be perceived usefulness or perceived ease of use, respectively (Davis, 1989). The business communication activities will, ultimately, influence consumer reaction. If an organization aims to develop consumer awareness and perception, it may communicate through advertising and public relation; inversely, if the aim is to contribute towards consumer behavior, the main tools are direct marketing, sale promotion, and personal selling (Kotler, Kartajaya & Setiawan, 2019).

The media channels a company selects may influence the way its consumers perceive its message and, thus, play a big role in a company's communication. There are two main forms of media channels: conventional and digital. The conventional media channel delivers the message to the client through techniques, such as public relations, paid advertising, word of mouth, events, direct marketing, partnership, and joint ventures (Mondal & Sahoo, 2020). On the other hand, the digital channels tools are social media, inbound marketing, email marketing, search engine optimization, local search, paid advertising, content marketing, mobile marketing, and affiliate marketing (Talafuse, 2014). The media channel's effectiveness ultimately depends on the company's target consumers. Often, companies communicate the same message through digital and conventional channels, the relevant difference is the way the message appears to the consumer, and the ultimate success would be reaching the correct target consumers (Singh, Del Giudice, Tarba & De Bernardi, 2019). The quantity of different channels is immense; thus, selecting the best one is vital.

Digital marketing is a wider concept than the former mass marketing concepts, such as internet marketing, bearing in mind it reaches consumers through mobile phones, smartphone apps, or video games (Patlin, 2019), for example, brands frequently ask their customers to download the brand's app and use it to introduce their other complementary services.

Digital marketing channels may be used to achieve various goals, such as creating brand awareness, generating sales, generating leads, educating customers, and generating traffic. (Das, 2021). According to Ryan (2014), organic, email-traffic, paid-search traffic, content marketing traffic, social media traffic, affiliate traffic, referral strategy, direct traffic, display advertising, and online public relations are various sorts of marketing channels.

2.7. Digital communication optimization and Performance Marketing

According to Porter (2001) the first years after the internet's birth, the prediction was that this new communication tool would reduce the firms' marketing strategy options and, thus, affect negatively some business strategies. However, over the years, e-commerce development transformed the internet into a crucial medium through which companies may

expand their business or even invest totally in online business. Naturally, nowadays some specific marketing tactics followed this digital development and can be employed to attract consumers to digital business.

Internet marketing may be defined as “achieving marketing objectives through applying digital technologies” (Chaffey, Ellis-Chadwick, Mayer & Johnston, 2009). On the other hand, digital marketing is “improving marketing activities using technology to match consumers’ needs and enrich consumers’ knowledge (Chaffey & Smith, 2013). Finally, according to Munshi and Munshi (2012), digital marketing is a powerful tool, that may revive certain economies and creates opportunities for governments to operate more efficiently.

Seven of the most common digital marketing tactics are Content marketing, Search Engine Optimization, E-mail marketing, Search and social ads, Data-driven, Marketing technology usage, and Social media Advertisement. (Olson, Olson, Czaplewski & Key, 2020).

Since the beginning of the century, the Internet is consolidated as the most powerful tool for businesses (Yannopoulos, 2011) and, thus, exploring its full potential can be crucial to a business’s success. On the other hand, companies marketing departments that do not select and explore internet channels in their marketing strategy do not experience in full the internet effect on the brand, pricing, distribution, and promotion of their businesses (Bala & Verma, 2018).

Finally, to have a more effective marketing performance, the following must be priorities: increasing sales prospects/leads, increasing customer acquisition, increasing customer engagement, improving brand awareness, improving result measurability, increasing website traffic, and improving web user experience. (Olson et al, 2020).

2.8. User journey mapping

Through the analysis of Rosenbaum, Otarola and Ramírez (2017), we can define user journey mapping as a visual picture of the series of events, during the entire buying process, through which customers may interact with a service organization. In other words, the concept represents a graphical representation of all the possible organizational points of contact with customers during the exchange process. This process uplift companies to further understand their customers, considering their beliefs, feelings, and emotions (Douglas & Craig, 2011; Lingqvist, Plotkin & Stanley, 2015).

The main objective of this tactic is to amplify and refine the consumer and company interactions, and consequently, relationship, by working specifically to meliorate each touchpoint through the purchasing process. According to Rosenbaum et al. (2017) the timeline may be divided into 3 main periods: the pre-service period, which refers to the customers’ previous experiences, touchpoints such as listening to a radio advertisement, or receiving an e-mail may be explored during this phase; Secondly, the service period, refers to the

experience during the purchasing process, for example engaging with employees, and finally, the post-service period refers to the period after the service or purchase and includes touchpoints such as customers posting the new item on social media or retail return (Rosenbaum et al., 2017). Moreover, Mu and Zhang (2021) allege that marketing tactics affect positively consumer journey outcomes.

The concept, essentially, creates a space through which companies may plan a panoply of activities, including omnichannel retailing opportunities, design opportunities, employee tasks, branding opportunities, and customer objectives (Van Bommel, Edelman & Ungerman, 2014).

3. PRACTICAL CONTEXT

3.1. E-commerce in Europe

The evolution of e-commerce over the past couple of decades has been unceasing. Bearing in mind this way of commercialization removes obstacles, such as geographical limitations or schedule conflicts between seller and buyer, added to the most recent external factor, such as the pandemic and technological evolutions, the cash flow generated by this new sales channel has been increasing constantly.

The analysis, conducted by AUAS (Amsterdam University of Applied Sciences) and CMIHvA (a market research company), of the 27 European countries, as well as the 10 neighbors' economies, demonstrates to us that internet usage has been growing at a normal pace. At the end of 2021, 89% of the population had internet access, a 2% increase compared with the previous year. On the other hand, the GDP recorded the highest value since 2017, 18.333 billion euros.

The most recent report "2021 European E-Commerce", evidences a 10% growth rate in the e-commerce sector invoicing. That same report also predicts this positive trend to continue, with stipulated growth of 12% and an annual invoicing of 844 billion euros.

On the other hand, a report published by RetailX, covering the European scenario, identified the total estimated e-commerce revenue of around 396 billion euros in 2021. Around half of this revenue originated through marketplaces and, thus, the report estimated the value of e-marketplaces in Europe to be between 120 billion and 150 billion euros, which is a significant growth compared with the previous year's estimation of 100 billion euros. Finally, this report revealed that 50% of e-buyer buy through marketplace platforms.

3.1.1. The European reality

According to the "2021 European e-commerce" report, e-commerce represented 4% of the 192 thousand million Euros of the GDP (7.4 thousand million). Of the 37 countries in the analysis, Greece registered the biggest growth (77%).

Also, the growth of e-buyers has been notorious in the past few years (especially the jump from 66% in 2019 to 71% in 2020). Western Europe represents the biggest electronic business share and, more specifically, the United Kingdom, the Netherlands, and Denmark are the countries with the highest rate of electronic consumers per internet user, around 90% of their countries' population.

On the other hand, according to Statista's report, published by Lynn Beyrouthy, the previsions for European e-commerce growth and development are positive, expected to reach revenues of around 1,2 trillion US Dollars by 2025. This increase isn't surprising, bearing in

mind the popularity of online shopping, with the e-commerce user penetration rate surpassing 60% in the most developed countries.

Most countries located in Europe share a common trade market and, thus, it is quite regular for consumers to buy from foreign e-commerce companies. The report concluded that one-fourth of total e-commerce revenue in Europe is to cross-border commerce. For instance, in the year 2021, around 80% of Austrian e-buyers have engaged in cross-border purchasing, the lowest rate of these international activities is in Sweden (50%). Moreover, in the past 2 years, the Netherlands consumers' spending on cross-border e-commerce has nearly doubled from 564 million euros to more than 900 million euros. In Belgium, 70% of e-shoppers reported having purchased from cross-border sellers in 2021. Furthermore, around 33% of the country's revenues were generated through cross-border activities.

Finally, e-marketplaces represent a large proportion of e-commerce in Europe, and thus, have been keeping up with the European e-commerce growth. For instance, research by Inriver showed that almost 50% of online product searches, in Germany and United Kingdom, start on e-marketplace platforms. The most popular platform in the European Scenario, in terms of spontaneous notoriety, is Amazon (86%), eBay (69%), Etsy (29%), Asoso (28%), and Wish (17%).

3.1.2. The Portuguese reality

According to "2021 European E-Commerce", in the Portuguese market, although not as accentuated as the rest of Europe, there has been an increase of electronic buyers to 56% of Portuguese consumer being also electronic consumers. However, Portugal stands amongst the last 10 spots in the list of 37 countries (27 European countries plus the 10 neighboring economies).

The most recent study, conducted by Economia Digital, concluded that the percentage of the Portuguese population that bought online, has increased more than the European average, through the last couple of years. It is stipulated that around 2022, business-to-consumer e-commerce, will reach more than 8 thousand million euros, and business-to-business, on the other hand, will reach around 121 thousand million euros. From 2019 to 2021 there has been an increase of 23,7 thousand million euros and 1,6 thousand million euros in business-to-business and business-to-consumer e-commerce, respectively. Ultimately, reaching the total invoicing numbers of 2022 mentioned in the previous paragraph.

This study also concluded that 65% of the Portuguese population spent at least 300€ in the period in analysis, of the three previous months. Also, 13% of the Portuguese population made more than 5 different online purchases. Furthermore, the most bought segment was "Clothes, shoes, and accessories" and the segment with the highest growth rate was "home delivery meals and pick up in store meals". On the other hand, regarding Portuguese

companies, 62% of the companies have a digital presence and 58% have social media presence, 2% above the European average. Portuguese companies, also stand above the European average in the rate of big and medium companies that have e-commerce, and, in total investments in AI and Robotics. Finally, Email marketing, SEO, and social media Advertisements are the most common marketing practices in the Portuguese market.

3.2. The Portuguese consumer

According to the study conducted by Marktest "E-Commerce Barometer" in 2022, 61% of the Portuguese population impacted by the study's parameters, individuals older than 15 years old residing in Continental Portugal, make online purchases, this corresponds to a total of 5,2 million Portuguese. Online purchases are majorly carried out by the youngest citizens. Despite, in the age ranges of 15 to 24 and 25 to 34 years old, 92% of the study sample had at least one online purchase at the time the study was conducted, the biggest increase from 2021 to 2022 was in the 45 to 54 years old range, with a growth of 7 percentage points.

Regarding consumer genre comparison, 64% of male individuals claim that they buy online, which is more 6 percentual points than the female individuals' sample (58%). Furthermore, regarding the study participants' online shopping frequency, 44% acquire online goods or services at least once per month and 12% claim they do it once per week. Finally, the high and medium-high social classes are the most active in online purchasing, with 92%.

3.2.1. Digitization and penetration of the internet in Portugal

Despite registering stagnation in the percentual of the population that has access to the internet in the years 2017 and 2018 (< 75%), the trend has been increasing since the mid-last decade, reaching a total of 81% in 2021. This year, only 60% of the Portuguese population with internet access bought products or services online.

Based on the study conducted by INE, "Survey on the Use of Information and Communication Technologies" in 2021, 87% of Portuguese households have private internet access in their residential property. Three more percentual points than the year previous the analyses. Furthermore, 84% can access the internet through broadband, the transmission of wide bandwidth data over a high-speed internet connection (minimum of 25 Mbps download and 3 Mbps upload speeds). Despite only growing around 3% when compared to the previous year, the growth over the last decade was around 34 percentual points. However, in terms of broadband internet access, Portugal stands below the European country's Average (89%).

3.2.2. Electronic shoppers' profile

According to the CTT e-Commerce Report 2021, the Portuguese e-buyer profile is balanced in terms of genre, although the percentage of the male population is slightly higher

than the female one. Also, the Portuguese consumer is majorly from the age range of 25 to 54 years old (81%) and inhabits the metropolitan areas majorly, Lisbon and Porto).

The main reasons, e-buyer claim they have increased their online purchasing rate are the ease of purchase and the convenience of buying from any place, at any time, availing the best promotions and overall lower prices. According to the study participants, the most decisive factor is the ease of purchase (74%), followed by the convenience to buy at any moment (62%), promotions (56%), and lower prices (52%).

Obviously, the effects of the most recent pandemic in transportation and supply chains affected the growth of Portuguese e-sellers, similarly to the rest of European countries. On the opposite hand, the purchase from Portuguese consumers to Chinese and British e-seller has been declining.

Analyzing the delivery times in Portuguese standards, the total delivery period has been decreasing, 47% of orders are delivered within 2 days and, on the other hand, the number of deliveries on the same day as the order has duplicated in comparison with the previous year. Also, the preferred delivery types are, firstly, home delivery (35%), click and collect (33%), workplace (30%), CTT Stores (20%), and automatic lockers (10%).

The Portuguese digital buyers demonstrated 80% of satisfaction in the online order delivery phase in the country, this corresponds to 10 percentual points increase in comparison with the value registered in 2020. According to the selected answer of the study participants, the most valuable factors are the refund guarantee in case of loss or damage to the order (74%), the shipping deadline fulfillment (72%), lower delivery prices (72%), delivery with tracking code (64%), the possibility of second delivery attempt (71%), a good returns policy (68%) and finally, notification by SMS or e-mail before at the delivery (68%).

On the other hand, e-buyers stated that not knowing the exact date and schedule of the delivery and having to pick up the delivery in another place if the client misses the first delivery attempt as the main difficulties of the delivery process. Following this line of thought, in terms of notifications, there has been an increase in SMS in comparison with e-mail, phone calls, or communication through platforms.

3.2.3. Decision-making factors of electronic purchases

The study “E-Commerce Barometer” published in 2021 and conducted by Marktest, which takes a closer look at the Portuguese’s online buying trends, concluded that pricing is the main factor that leads an e-buyer to engage in an online purchase. Also, 57´% of Portuguese, older than 15 years old that inhabit the mainland borders make online, a total of 4,8 million individuals. In terms of frequency of online purchases, 12% make at least one per week and 42% claim to make at least one per month.

According to the study referred previously, the pricing of each online shop is crucial to sort out the decision-making process for 58% of the study participants. The other factor mentioned by the research were product availability (33%), previous known brand (32%), payment methods available (30%), and positive client reviews (30%). Curiously, the study also noticed these factors varied according to the participant genre, for the male participants “product availability” and “positive client reviews” were the most selected, on the opposite hand, for the female participants the selected factor were “payment methods, previous known brand, and the pricing.

3.2.4. User Journey

The user journey, as evidenced in the theoretical context, is the series of events, during the entire buying process, through which customers may interact with a service organization. The main stages of the modern consumer journey that we will be considered in this analysis are awareness, consideration, conversion, and advocacy.

In the Awareness stage, consumers are receptive to advertisements, even if not looking for a specific product. Often, brand awareness plays a crucial role in achieving consumers’ attention and is predicted to stay a relevant eCommerce trend in 2023. The most common tools for capturing consumers’ attention are videos, blogs, FAQs, social media content, and over-the-top advertisement. In traditional media, billboards and large-scale above-the-line advertising are the most common marketing practices.

The second phase is the Consideration, at this point, consumers are aware they need a product and turn to the internet in order to gather information about it. According to the Google Consumer Insights report, 66% of product research start on Google and 63% on Amazon. The most common tools for a brand to prove the quality of its products or services are case studies, testimonials, reviews, product comparisons, demos, and fine-tuned product listings.

The following stage, the Conversion, is considered by many the most difficult phase of the user journey, as the shopping abandonment rate has been increasing in the recent past. Brands must ensure to make the digital path to purchase as smooth and seamless as possible, providing various methods of payment, having clean and organized layouts and copies in the website’s checkout pages, and, thus, easy navigation through the process. Many digital e-shoppers prefer to buy from e-marketplaces, such as Amazon, than from a less-developed brand’s website.

Finally, in the Advocacy stage, the engagement between consumers and brands continues after the finishing of the purchase. Consumers may leave feedback or evaluate an order or product, creating user-generated content. Companies may monitor this content from reviews, ratings, product questions, or pictures. Satisfied customers are more receptive to

advertisements for complementary products and may generate new consumers through word of mouth.

3.2.5. Most performing segments

In accordance with the rest of the European countries, the overall Portuguese e-commerce has been increasing in invoicing volume and, thus, in general, every category is having a positive trend. Regardless, “clothing and footwear” is a segment that most of the responders purchase online (68%), followed by “electronics and computers” (59%), “hygiene and cosmetics” (44%), “books and movies” (41%), “Home Appliances” (32%), “home utensils” (31%), “sports equipment” (31%) and “mobile phones” (29%).

The phenomenon of researching online and acquiring the product in the physical store, also known as ROPO (research online, purchase offline), is more common in the following categories: Home appliances, electronics and informatics, mobile phones, vehicle accessories, sports equipment, and clothing and footwear. This form of purchasing is usually related to purchases with a diversity of options, higher average purchase value, or the need for personal advice. Finally, the results from the CTT investigation concluded that 69% of the participants claim to shop in the brand’s e-commerce whereas 68% claim to purchase in e-marketplaces.

On the other hand, according to the results of the study conducted by Multidados, from 21st December 2021 until 21st January 2022, the most purchased categories are Fashion and apparel, with 59% of consumers from the study have already purchased it online. The second most bought category was books (53%), followed by electronic (48%), then traveling (43%), cosmetics (38%), entertainment (34% and, finally, Décor items (31%).

3.3. E-marketplaces in Portugal

E-marketplaces are e-commerce platforms that group e-sellers and e-buyers in a digital platform and, eventually, mediate the transactions that occur in the platform. Usually, the websites hosting e-marketplaces belong to well-established brands and, thus, generate high levels of traffic allowing lower notoriety companies, that otherwise would not have any online presence, to escalate their sales volume through this sales channel. The e-marketplace owner’s notoriety transmits reliability to the transactions concluded on the website, allowing companies to try new categories and/or markets.

Small and medium enterprises often include this additional sales channel in their business models, in order to, not only, build towards the positioning of their brand in a specific market, but also increase the businesses’ sales channels.

On the other hand, this sales channel allows the Portuguese markets to grow, by providing more competitive prices, bearing in mind the wide variety of foreign sellers with different

commercial conditions and, thus, generating additional income to enter the country's economy; and also, empowering the national sellers to grow its businesses by expanding it to the internet and providing a platform through which the smaller brands may increase its notoriety and sales volume.

3.3.1. Activity numbers and characteristics

It is expected for e-commerce to continuously grow over the next years and, thus, online shopping has become a crucial and lucrative option for organizations across most industrial sectors. It is expected that e-commerce to represent around a quarter of consumers' spending across the world by 2025.

According to a study conducted by Mitrani, 67% of digital purchases are made through e-marketplaces platforms, due to the consumers' preference for buying in a single platform rather than buying across several platforms.

Furthermore, of the twenty biggest marketplaces across the world, around 40% are marketplaces that, at the same time, are retailers on their own platforms, for instance, in the Amazon platform, around 50% of the total sales are made by e-marketplace sellers. The remaining 60% of the top 20 e-marketplaces in the world are platforms that solely operate as e-marketplaces.

Finally, even the most voluminous companies in the world are following the growing reach of e-commerce and, therefore, opening their electronic platform to third-party sellers. For instance, Walmart, the biggest retail company in the United States of America, opened its platform to e-marketplace sellers in 2009. In conclusion, the beginning of the past decade marks a new dawn in the retail industry, due not the exponential e-commerce growth.

3.3.2. Main operators

The e-marketplace channels have been growing globally and, thus, some companies have been established as the main operators in this kind of digital commercialization. Furthermore, the table below shows us the e-marketplace platforms that produce the highest traffic levels across the globe, despite either operating globally or in a specific geographical zone. Moreover, the platforms listed below may be business-to-consumer or consumer-to-consumers oriented.

#	NAME	REGION/COUNTRY	PRODUCT CATEGORY	VISITS/MONTH
1	Amazon	Global	General	5.69B
2	eBay	Global	General	2.98B
3	Shopee	Southeast Asia	General	631.19M

Table 3.1 - Source: SimilarWeb, July 2022

The United States-based e-marketplaces platform leads the global markets, with Amazon and eBay at the top spots, not only in traffic but also in sales volume. However, if we focus the analysis is smaller geographical zones, the biggest participants in the Asian commercial zone are Shopee and Alibaba e-marketplaces. Furthermore, the North American and the European zones are, naturally also led by Amazon and eBay, despite other e-marketplaces presenting continuous improvement over the past few years, such as Walmart's platform in the North American market and Allegro's platform in the European scenario. Also, the African commercial zone is led by Jumia and Takealot e-marketplaces. Finally, the Mercado Libre e-marketplace is the leading South American region platform.

3.3.3. Accession and trends

According to the study conducted by Multidados at the end of 2021, 30% of consumers claim the main reason to buy products or services online is convenience. The other mentioned reasons were more accessible prices (24%), promotions (15%), and avoiding store queues (7%).

The analysis also concluded that 43% of consumers prefer to commercialize through digital channels, on the other hand, 57% of consumers prefer to buy products through physical shops. However, 92% of consumers claim that have made an online purchase in the previous 2 months, mostly using a computer (66%).

This study was divided into two different kinds of online shops, the brand's e-commerce, and the pure marketplaces. The study did not include websites such as Worten, FNAC, or Decathlon, where the brand's products and other e-seller products coexist in a single sales platform, where the owner is also a seller. Therefore, while analyzing the next couple of paragraphs, one must take this premise into account.

Bearing this in mind, the Multidados analysis concluded that the study participants' favorite e-commerce websites are the Decathlon platform as a brand website and the Amazon platform as a pure marketplace. The reasons behind the choice of the Decathlon platform by 8% of the inquiries were the free shipping (18%) and the variety of products available (18%). In terms of

spontaneous notoriety, the sports retailer stood in the first place, being selected by 28% of study participants, followed by Wook (21%), FNAC (19%), and Pull & Bear (18%).

Furthermore, in terms of pure marketplaces, Amazon was selected as the favorite platform by 27% of the study participants, and the e-buyer preferred categories within this platform were Big Appliances (16%), food items (14%), and entertainment services and products (14%). The American company was also placed in the marketplace with the highest spontaneous notoriety, with 25%, followed by Facebook (17%), Aliexpress (16%), and Dott (12%).

3.4. Market

3.4.1. Sales by channels

Nowadays, utilizing multiple sales channels may be very beneficial for the development of a corporation. The new generations, especially generation Z, are digital natives, and, thus, shopping through multiple channels is one of its hallmarks. Companies must adapt the consumer trends and behaviors, therefore many companies have been integrating new sales channels into their business models. Selling through multiple sales channels may bring benefits to an enterprise, such as the widening of its audience, the increase of offers and digital presence, low-cost business expansion in the case of integrating new e-marketplaces, and SEO improvements through more quality reciprocal links between sales channels. The most common types of sales channels are retail, social media, e-marketplaces, mobile apps, or selling through partnerships.

The ACEPI study, published on the 19th of October 2020, concluded that 50% of companies questioned have a presence in Marketplaces, either on high-level platforms or social media marketplaces, therefore, marketplaces play a particularly key role in plenty of companies' business model, especially, small enterprises. However, the Portuguese e-buyers still prefer to buy in physical shops (79%) in comparison with e-marketplaces (60%), this sales channel gaining market share each year, registering high growth rates due to the high variety of products and categories available in their e-commerce websites.

3.4.2. E-marketplaces' role and their business models

The e-marketplace business model consists of two main sources of income: the commissions per sale and the monthly fee. Its main objective is to generate sales, for its sellers, and consequently increase the e-marketplace owner's income, through the platform's traffic and notoriety.

The commission percentage of a sale is defined by the category and the state of a product. For an e-marketplace to be successful, its commissions must not be must higher than its competitors and, thus, the Portuguese platform's commission values tend to be approximate in each category. The defined values vary according to the average market profit margins.

Therefore, markets such as mobile phones, computers, or televisions have lower commission percentages than Home and Décor, Bricolage, or Childcare. For instance, in the FNAC's platform, the commissions vary from 7%, for tablets and computers, to 17%, for Pet care.

On the other hand, the monthly fee is another source of income for e-marketplace businesses. For a seller to be able to commercialize his products through the e-marketplace platform, he must pay a monthly fee, usually around 40€ for the Portuguese market. This fee usually is utilized for account management activities as well as product placement strategies, such as paid advertisement.

3.4.3. Trends

As e-marketplaces development continues across the globe, companies are, often, following the market trends in order to stay competitive, by creating better working conditions for their sellers as well as impacting clients more efficiently.

Firstly, considering the global scenario, many e-marketplace platforms, despite presenting the seller's offer to clients, do not host the negotiation and conversion process within the platform. This is very common in consumer-to-consumer e-marketplaces, which often only include the seller's contact for conversion on the offers detail page. On the other hand, multiple-categories e-marketplaces often provide educational and formational activities for its seller to develop their business competencies and, consequently, improve the overall platform performance.

Furthermore, focusing on the Portuguese market, many companies operating in this market have platforms developed with Mirakl, which is an online marketplace software that assures a well-structured platform with faster developments for its users, for instance, the Worten platform is built with the Mirakl software. The Portuguese e-marketplaces services often include communication and marketing activities that sellers may purchase in order to develop their shop with the platform. Bearing in mind that the e-marketplaces market total sales chronogram has high peaks of sales in the promotional moments, especially in the last quarter of each year, this is the period the seller are more prompt to engage in promotional activities. Finally, multinational e-marketplaces operating in Portugal, often provide their sellers the possibility to commercialize in other markets through a single platform, for example, the Amazon platform.

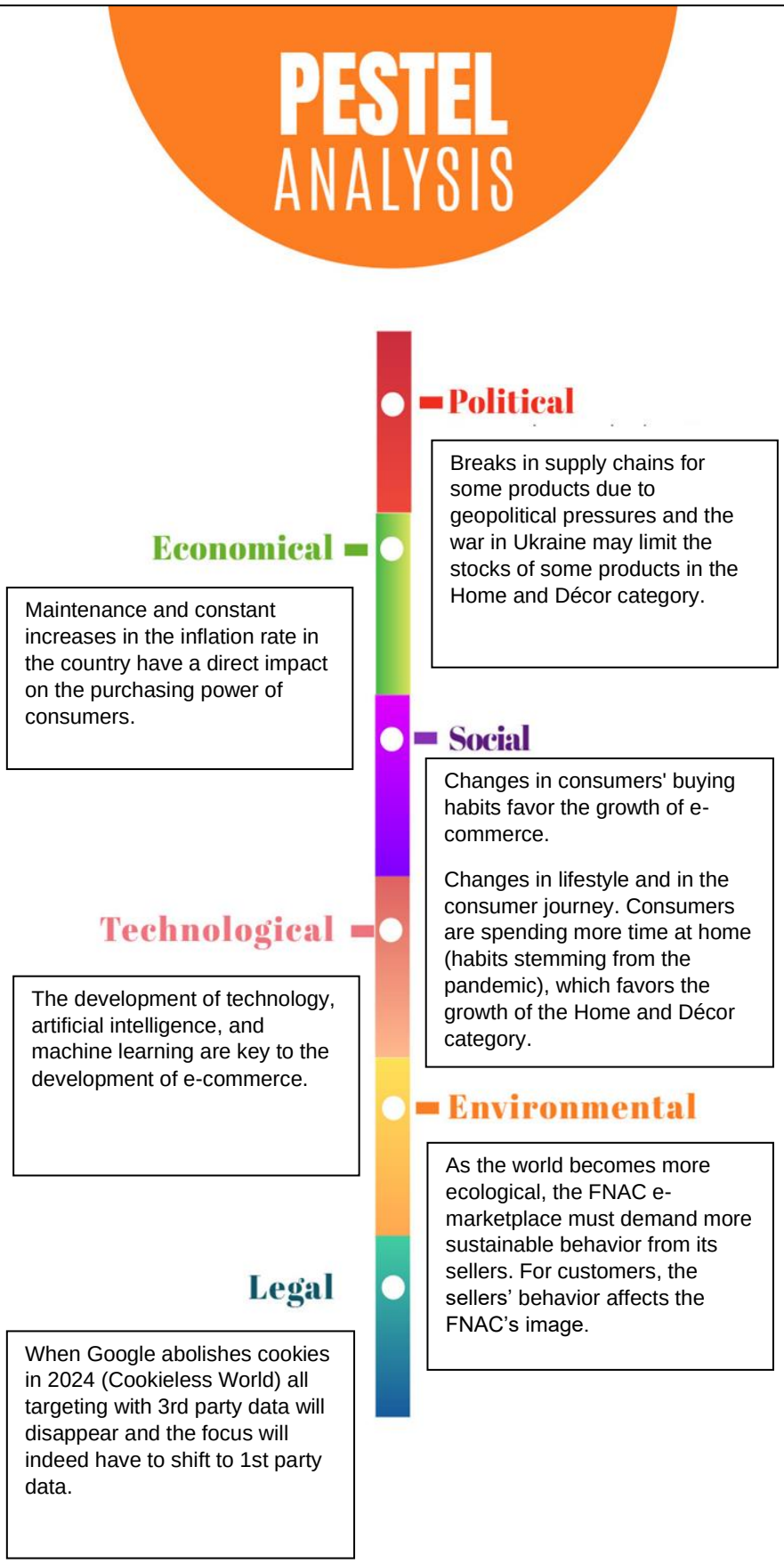
3.5. PESTEL Analysis

The PESTEL analysis is a tool through which companies identify external factors that can affect their business activities. This analysis allows companies to avoid undesirable scenarios as well as benefit from positive external elements, forthwith. According to the analysis

guidelines, this external factor may be political, economical, social, technological, environmental, or legal.

In the case of FNAC, especially focusing on the Home and décor category, the PESTEL analysis includes, in the political analysis, the breaks in supply chains that have been occurring due to geopolitical pressures and the War in Ukraine. For the economical factors, was identified that the maintenance and constant increases in the inflation rate in Portugal may impact its consumers' purchasing power and, consequently, the FNAC business performance. Moreover, in terms of social factors, was identified the changes in consumers' purchasing habits towards e-commerce platforms and the recent COVID-19 pandemic effects, such as the consumers spending more time at home and, thus, increasing their willingness towards buying Home and Décor products. Furthermore, the identified technological factors were the constant technological developments that we have been witnessing in the past couple of decades and the rise of artificial intelligence. Both these elements have been crucial in the recent e-commerce development. In terms of environmental external factors, was identified the sustainability of the platform seller's processes, bearing in mind the FNAC image may be affected if the brand is associated with an environmentally non-friendly business. Finally, the legal factor identified was the abolishment of cookies by Google in 2024, as this rule will affect the way advertisement and media placement have been operating recently.

Figure 3.2


PESTEL
ANALYSIS
Political
Breaks in supply chains for some products due to geopolitical pressures and the war in Ukraine may limit the stocks of some products in the Home and Décor category.
Economical
Maintenance and constant increases in the inflation rate in the country have a direct impact on the purchasing power of consumers.
Social
Changes in consumers' buying habits favor the growth of e-commerce.
Changes in lifestyle and in the consumer journey. Consumers are spending more time at home (habits stemming from the pandemic), which favors the growth of the Home and Décor category.
Technological
The development of technology, artificial intelligence, and machine learning are key to the development of e-commerce.
Environmental
As the world becomes more ecological, the FNAC e-marketplace must demand more sustainable behavior from its sellers. For customers, the sellers' behavior affects the FNAC's image.
Legal
When Google abolishes cookies in 2024 (Cookieless World) all targeting with 3rd party data will disappear and the focus will indeed have to shift to 1st party data.

3.6. Competitors

3.6.1. Competitors definition

3.6.1.1. Immediate competitors

The Worten brand is the electronics retail company of the Portuguese giant Sonae. Their mission is “bring the best technology to everyone, without exception, today and always” and their core business is in the sectors of Small and Big Home Appliances, Sound and Image, Computing and Telecommunications, Entertainment, and gaming. The brand’s e-commerce website was released in 2001 and now has more than a million products available. They opened their website to Marketplace sellers in 2018 and expanded their website area of action to Home and Décor, Beauty, Health, and Childcare. Worten’s business model is omnichannel, creating synergies between their physical and digital business. The company heavily invests in advertisements, often collaborating with Ricardo Araújo Pereira, a Portuguese celebrity, in television campaigns focused on their dominium www.worten.pt. This communication strategy allows continuous adding new categories to the top of mind of consumers, creating the path for Worten’s online platform to lead the Portuguese market in the total of e-buyers per year, 2,7 million.

As the biggest company in the world, naturally, Amazon also operates in Portugal. Although not having any warehouse in Portugal and neither a full-Portuguese e-store (it is an adaptation from the Spanish platform, and it was implemented in January 2021) the company still represent a big e-commerce share in the country. Portuguese clients may purchase items from any European Union country.

The KuantoKusta brand was founded in 2005 by Portuguese former emigrants in France (that came back to Portugal). Their business model was planned around a platform for price comparisons in the Portuguese market. In 2018 they adapted their platform to become the first “pure” Marketplace in Portugal, bearing in mind that there were not any well-established companies running it. In the last year, according to the study referenced above, the platform registered an increase of 29% in e-buyers and achieved a total of 860 thousand buyers through their e-commerce.

3.6.1.2. Secondary competitors

The consumer-to-consumer marketplaces may conceive as secondary competitors.

The eBay company was founded in 1995 in the United States of America by Pierre Omidyar, its first official name was AuctionWeb. The website was built to connect private sellers, allowing and catalyzing the commercialization of products between them. Present in Portugal since 2012, they provide Portuguese consumers with an open consumer-to-consumer marketplace that counts with more than 20 million monthly visits, 300 million monthly page views, and 800 thousand monthly offers.

Additionally, the Meta company through Facebook. In 2016, the social network added to its business model the Facebook Marketplace. Which allows consumers to search, buy and sell items to its geographically relevant community. A year later, Facebook made this feature available to the Portuguese market. Fast forward 3 years and Facebook was already available in 70 different countries and utilized by around 800 million monthly users.

Focusing on the Home segment, the most notorious e-commerce brands operating in this sector may also be seen as secondary competitors. For example, Leroy Merlin or IKEA. According to the data collected by Marktest's "E-Commerce Barometer" concluded that the brand IKEA registered an increase of 45% in the number of e-buyers in comparison with the previous year, reaching a total of 1,7 million buyers.

Finally, the brand LaRedoute has a well-established e-commerce completely focused on the Home, Décor, and Fashion segments. It is a French company, which operates in 26 different countries and has over 10 million active customers. It has been active in the Portuguese market since 1988.

3.6.1.3. Platforms' overview

The study conducted by Marktest in April 2021, focused on online navigation in computer devices (as shown before, the most chosen device for e-commerce transactions) and measuring the reach of Portuguese e-commerce platforms, genre, age, region, and social class. The methodology was developed using the netAudience's audience measuring system, using data from panels, data from consumers, mainland inhabitants older than 15 years old, and site-centric data.

Firstly, in terms of overall reach, the Worten platform had the greatest reach amongst the Portuguese e-commerce websites, with 1,5 million individuals at the time the study was conducted, representing 17,3%. The Aliexpress platform registered the second greatest reach, with 1,4 million individuals, 16. Followed by, Amazon, FNAC, Continente, and KuantoKusta with around 1 million each.

The analysis by genre concluded that Worten's website recorded the greatest reach for male individuals (21%) and, in contrast, the e-commerce website with the greatest reach for female individuals was Continente's platform (15%).

When comparing age ranges, the multinational Amazon has the greatest reach in the range from 25 to 34 years old. However, the dominance was by the Iberian brand, Worten, which topped the ranking in all other age ranges.

By region, Amazon (19%) and Aliexpress (17%) were the e-commerces with the greatest reach along the north and south coasts. However, once again, in the rest of Portugal's regions Worten registered the highest reach rate.

In terms of social classes, for the high class, Amazon recorded the highest reach rate, with 28%. For the medium and low classes was Aliexpress the platform that reached the bigger audience, with 16% and 8% respectively.

Finally, analyzing the website's traffic volume, Aliexpress stood on top of the list in the month the study was conducted, with 66,6 million pageviews. Followed by Amazon with 55,2 million and Continente with 46,3%.

3.6.1.4. Main competitors

In accordance with the European e-marketplaces rise, the Portuguese market has registered a major increase in sales volume. In the Portuguese case, its major participants in professional sellers' e-marketplaces arose in the past decade, such as Worten, Amazon, or FNAC. Therefore, according to the data shown in previous chapters, we will consider Worten and Amazon as the major competitors in the e-marketplace FNAC business.

Before opening its e-commerce to e-marketplace sellers, Worten was already a well-establish brand in the Portuguese market. Since that the platform has focused its communication on the website, thus, increasing its notoriety amongst customers and, consequently, among sellers. Worten's e-marketplace commercial conditions, such as commissions and monthly fees, are relatively lower than its competitors in the market. In terms of platform navigation, Worten's platform has a well-developed filters system, for instance when the user gets to product list pages, he is able to filter the products list by e-marketplace seller name. Finally, a seller account in Worten's e-marketplace allows the seller to operate in two different markets, the Portuguese and the Spanish.

On the other hand, the product creation process in Worten's platform is conducted through Mirakl, where the seller may register their catalog automatically and without much control and, occasionally, this may end up in confused product detail pages or even referencing errors.

Secondly, the Amazon e-marketplace was extended to the Portuguese market at the end of the last decade. Since then, the accession from Portuguese consumers was exponential. The Amazon seller subscription allows sellers to operate in every country where Amazon is present (most of Europe and America); thus, this market entrance undoubtedly had a very positive impact on the whole Portuguese market volume. Moreover, Amazon's brand has high levels of notoriety and traffic, which naturally translates into high traffic levels and sales volumes. Finally, the Amazon platform offers an extra service, the possibility to manage its sellers' logistics through the well-established Amazon supply chain and warehouses.

On the other hand, due to the high popularity of the platform, most markets may be saturated, and filled with sellers and, thus, the platform may present difficulties for the brands to get notoriety and, consequently, to have the desired positioning. Moreover, although amazon operates in most known markets, the platform is not specialized in any specific

category, which may create distrust for higher value purchases. Finally, the Amazon platform is known among sellers to majorly favor the clients' side when there is a claim in an order, most of the time proceeding right away with the refund of the order.

3.6.1.5. Potential new competitors' entrance

The e-marketplaces market in Portugal has been growing constantly in the past years, and, thus, is only natural for more participants to join in, especially if a company already operates this sales channel in other markets. Two main brands plan to extend their marketplace business to the Portuguese Market, MAKRO and Leroy Merlin.

The German Metro Group, the owner of the brand MAKRO, is planning to extend its e-marketplaces services to Portugal, after establishing it in Germany, Spain, and Italy. The option comes as a means to grow the offers in the platform, in accordance with its multichannel evolution strategy and digital growth.

The Leroy Merlin e-marketplace's services will likely expand to the Portuguese Market soon. The French brand already possesses a well-established e-marketplace in the French market, which is the 5th most viewed e-commerce platform in the country, and, in the past few years, has been adopting an internationalization strategy for its platform. In France, its business model is similar to FNAC's, with a 39,99€ monthly fee and commissions per sale.

3.6.2. Benchmarks

In the table below we may see the analysis of the Portuguese marketplace's monthly traffic volume, the visits' average duration, and the average of visited pages.

Platforms	Monthly Traffic	Average visit time	Page visits average
Worten	17.63 Million	00:04:52	6.33
Custo Justo	14.84 Million	00:08:06	11.85
FNAC.pt	10.64 Million	00:03:57	4.72
KuantoKusta	9.29 Million	00:03:50	4.31
Dott	2 Million	00:02:23	4.51

Table 3.3 - Source: Digitalks, May 2020

This analysis is only considering e-marketplace platforms that are completely Portuguese, operate in a Portuguese dominium, and are fiscally based in the country. Thus, the absence of Amazon, one of the biggest players in this market, disables the possibility of a full market analysis, as they would certainly be at the top spots of this analysis. However, as Worten still

has higher performance KPIs in the Portuguese market, its analytic results may be used as references for the FNAC objectives creation. Furthermore, Worten's ability to generate traffic to its e-commerce business, the biggest in Portugal, through its communication campaigns must be taken into consideration, and, thus, its results, such as the 17,63 million visits, around 5 minutes of average visit time and 6,33 average pages visited per session, are good benchmarks for the FNAC e-commerce development.

Having good traffic numbers, added to the e-marketplace core-business categories specialty, may influence the seller's decision the either join a marketplace or not. Usually, high levels of traffic generate higher sales volumes, and thus, joining the most popular platform in the market may be incredibly appealing for many sellers.

From the Amazon platform, FNAC must take into consideration its consumer-focused view, through its cross-selling suggestions and the structuring and presentation of its consumer reviews.

Furthermore, analyzing the Home and Décor platform, IKEA development must be taken into account, when building the plan to develop and dynamize the category in the FNAC's marketplace, as its e-commerce website, although not a marketplace, has presented the biggest evolution in traffic and sales volumes in the past couple of years. The well-known Swedish brand has been highly investing in its digital business and the expansion of this latter sales channel.

4. INTERNAL SITUATION

The Group Fnac Darty was created through the affiliation of two French retail giants in 2016: the Fédération Nationale d'Achat des Cadres (FNAC) and Darty, founded by the Darty brothers (Natan, Marcel, and Bernard) in 1957.

The Fédération Nationale d'Achat des Cadres, also known as FNAC, was founded in 1954 by Max Théret and André Essel. In the first years of operation, it was intended to be a member's club where the participants would have access to discounts. The first shop ever was on the second floor of an apartment in rue de Sebastopol in Paris, and it was inaugurated on the 31st of July 1954. From the early days, FNAC always had a high consumer-focus view of business. FNAC was highly regarded by the clients mostly because the company retail guaranteed quality products, that were highly tested in the FNAC laboratories, and the results would be available for the membership community of the club. The magazine "Contact" was the communication channel used by FNAC to reach its consumer base. In 1981, FNAC started expanding its area of operations beyond French borders. The first store opened outside French territory was, in the neighboring country, Belgium. The year 1999 was crucial to FNAC's development once the company began its online presence by operating its own e-commerce website. Nowadays, the FNAC brand is present in 13 countries.

On the other hand, The Darty company was founded in 1957 by the Darty brother, Natan, Marcel, and Bernard, survivors from Auschwitz, with the goal of being a local store in *avenue de la Porte-de-Montreuil*, that commercialized home appliances. A decade later, the Darty company started building its consumer base by making available the first after-sales service. This revolutionary service was groundbreaking at the time and marks a genuine commitment to extending product life spans. The milestone of 100 stores in France was reached in the year of 1988 and, at this point, the company's core business was redirected to repairing appliances at the end of their life spans. To support the company's operations, Darty even created a company, named Dacem to easily obtain electronic equipment parts for their repairs. Darty's digital presence started in 1998 with the launch of the website, where the Contract of Confidence is offered to the first Internet users. A year later, this website would become an e-commerce, where the company started commercializing its products and incorporating this new sales channel into its business model. The Darty company, also has operations in the Netherlands, through the name of BCC, and in Belgium, with the name of Vanden Borre. Before the merger with the French retailer FNAC, the company was present on London's stock exchange and in Euronext Paris.

In 2016, the affiliation of both French iconic and popular companies was formalized. Bearing in mind that both entities shared a highly consumer-driven view of business, the creation of positive synergies between companies was evident. Consumer support and

experience became the center of the company's business model and, thus, omnichannel retail turned into the solution to fulfill the consumers' needs, approaching the company's main goal of meeting the new consumer needs. This major acquisition was followed by the acquisition of minor brands, such as Nature & Découvertes, WeFix, and Billetreduc.

In the last couple of decades years, The FNAC Darty Group became a retailer specialized in multiple categories, with the goal of "committing to educated choices and sustainable consumption". Most recently, in 2021, the Group re-defined its strategy as an Everyday strategy, helping consumers to have sustainable consumption habits.

4.1. FNAC

4.1.1. Positioning

The FNAC brand's initial business was exclusively the retail of cultural and technological goods. Since then, the brand has gone through multiple new sectors entrees and, thus, added many categories to the corporation's catalog, such as entertainment, music, video, sound, and image equipment, literature, cinema, gaming, information technology, and, since the integration of e-sellers, kitchen, home, and décor, Small and Big Appliances, Sports and Outdoor.

A client visiting a FNAC shop may interact with the products and have high-trained specialist teams available to help at any given moment, thus, according to the brand's website, its mission is defined as "committed to an informed choice and a responsible consumption". Through the last couple of years, the company started projects such as the FNAC Restart where, the recently acquired, PC Clinic shops refurbish electronics and launch them back in the market with more affordable prices. These are very exemplary of the brand's activities working towards its mission.

Additionally, the brand's vision is to inspire a changing world through its passion and innovation, this is highly reflected in the FNAC's core business products. Firstly, the vast options of entertainment products the company commercializes, such as books, movies, or video games. Also, FNAC creates opportunities for authors and creators to use the FNAC's forum to divulge their products, positioning the brand as one of the biggest culture catalysts in the country and fortifying the brand's passion and will to contribute to a better and more developed world. On the other hand, the brand focus on innovation is remarkable, constantly providing Portuguese consumers with the newest innovations from the most known brands around the world in every technological sector, from electric mobility to small appliances (cleaning robots) and through communications, gaming, and others. The brand adapts itself to the new global trends and rewards their consumer with high-quality products, well-organized customer support, and constant innovation.

Ultimately, the French company intends to have an impactful voice in the world, be a positive energy in its development and cultivate and empower the cultural side of society. The company's Marketing Director, Inês Condeço, explained in a press release to briefing.pt: "We want to valorize our variety of offers on the cultural, educational, and technological scopes" which she considers to be the brand strengths in the national market.

4.1.2. Values

Based on the company's institutional website, the company's values are Passion, Innovation, Commitment, and Respect. Furthermore, the company claims to have a role in the cultural, social, and environmental development of society.

Culturally, the company invests in smaller artists by giving them a platform close to the bran's sizeable community, for example, through the FNAC's in-shop lobbies and the annual FNAC LIVE Festival in Jardins das Torres de Belém in Lisbon, where the company organizes a weekend long festival with high-level Portuguese celebrities as well as up-coming musical prospects. FNAC uses cultural development as a tool to approximate and develop its community and, thus, enhance this important form of expression in the country.

Socially, FNAC focuses its efforts on combating the world's excesses of information and consumption, providing specialist and educated employees to support the consumer through the purchasing process and providing them with a vast catalog of offers to choose from. Finally, the company relies on an active and dedicated community to spread its values and create cultural networks, that otherwise wouldn't be possible, through the organization of multiple events throughout the years.

Environmentally, the retailer intends to create a sustainability culture, and accompany the leading brands in changing the world. This is reflected in initiatives such as FNAC Restart, as explained above, and the FNAC circular economy contribution through refurbishing products that otherwise would be electronic garbage, which is difficult to dispose of. Also, the extension of the business to the segment of electronic mobility highly contributes to the world's future, as FNAC considers this transportation option amongst the ones prevailing in a future sustainable focused society.

Finally, FNAC plans on being an active agent in society and, thus, contributing to a better future. Sustainability-informed choices, trends, and diversity are concepts that are fundamentally rooted in FNAC's conduct and approach to the Portuguese market.

4.2. FNAC in Portugal

4.2.1. Formats

The FNAC business operates through an omnichannel strategy, creating synergies between the brand's channels, online and offline, in order to create a better customer

experience through all brand contacts. The brand has been characterized as having a very unique look and feel in its physical shops, and that was transmitted to its digital business. For instance, gold, black and white colors, and a wide variety of expounded products are common traits in both channels.

The FNAC omnichannel retail is widely focused on the customer experience, trying to advise and inform them throughout the decision-making and purchasing process. For example, a FNAC client, interested in buying a mobile phone, may go to a physical shop with the goal to talk to specialists and selecting between the alternatives. If the product the consumer selected is available online, but not in the specific shop they are in, the employee must place the order in the e-commerce platform and increase the connection of offline store services with online purchasing. Moreover, FNAC often practices cross-platform promotional campaigns allowing consumers to benefit from the campaign advantages from any location.

Furthermore, in the post-service contact, FNAC aims to improve the customers' experience through a very active customer care team, that operates transversely in both channels, and constant monitoring and reporting of both physical and digital experiences, through constant Net Promoter Score (NPS) inquiries, which rates the likelihood of a FNAC client to positively advise its peers about the experience with FNAC.

Finally, the FNAC's omnichannel strategy operates mainly through three different sales channels: the physical stores, the e-commerce direct channel, and the e-marketplace.

4.2.2. Entrance to Portugal

On the 28th of February 1998, FNAC opened the brand's first store in Portugal. The location chosen was Lisbon, specifically in Centro Comercial Colombo. The second shop was in the north of the country, in Porto, this time in mal named NorthShopping. The new French brand quickly reached high levels of accession by Portuguese consumers and hence both these shops were an instant success. The brand kept growing its share in the Portuguese market and, nowadays, has 34 shops all over the country, most with the familiar branding the Portuguese consumer knows, and the rest over the insignia of PC Clinic, a brand acquired by FNAC in 2019 with the vision to contribute to a more sustainable world, that is focused on repairing electronic devices, and, thus, created synergies with the French brand to put the used electronics back in the market with the guaranteed quality FNAC offers.

Furthermore, the company has been developing its website, FNAC.pt, into well-established e-commerce, at the top of mind of consumers in their core business categories, such as electronics and entertainment.

Finally, the company has implemented a very well-executed loyalty program, the Cartão FNAC, or if translated to English, the FNAC Card. The customers that acquire the card have multiple benefits, such as free shipping, and multiple discounts (different percentages

depending on the category). Unfortunately, these benefits are only available to sales made by FNAC as a seller, and not to e-marketplace sellers. The card also allows the customer to follow up on FNAC campaigns and to analyze the customer purchases historic.

As described above, the FNAC brand is a well-established promotor of culture, new technologists, and community network aggregation. Also, the brand, known in the Portuguese market as a specialist in entertainment and technology, has a heavily consumer-focused strategy, betting highly on consumer experience, particularly the in-shop experience, with a very particular design infrastructure, the company, allows its client to freely touch and analyze the products before purchasing. This consumer-focused strategy develops synergies between both sides, leading to higher levels of confidence, and satisfaction and enhancing the brand-consumer relationship. Additionally, the brand communication is informal and educational, whereas the shops are visually impactful and crowded with items and, thus, possibilities for each product type.

Furthermore, the brand defines itself as a technology and entertainment specialist and effectively guarantees the quality of products bought through its sales channel. Over the years, FNAC developed or incorporated several services into its business model, being more active alongside its products' lives cycle and, thus, presenting closer support to clients, for example, the photography FNAC lab, the FNAC Pro, the sizeable variety of insurances or the ticket office.

4.3. FNAC e-marketplace

Years before the merger that originated the FNAC Darty Group, both FNAC and Darty brands had already incorporated a marketplace into their e-commerce websites. As the brands remained separated after the formalization of the agreement, the websites remained separated and, thus, also the e-marketplaces. Regarding FNAC, naturally, the novelty was first launched in the French dominium when the company opened its sales channel to e-marketplace sellers in 2008. Currently, the French platform is the third most accessed business-to-consumer marketplace in France with 5,29% of visits share, standing below Amazon (50%) and Cdiscount (10%), respectively, according to the study, published by Daniela Coppola in July 2022, "Leading online marketplaces in France 2022, by visit share".

Nowadays, FNAC's e-commerce website counts a total of 75 million visits, 314 million page views, and 3,6 million registered users, according to the company's e-marketplace institutional presentation. Recently, the website was awarded the best e-commerce website by the CTT e-commerce awards 2021 and by the Leitor PC Guia Awards in 2017, 2018, 2019, and 2021. Furthermore, in Portugal, FNAC was a pioneer in the e-marketplace business. The beginning was in the fourth quarter of 2013 and since then the platform has been constantly growing in popularity and success, winning the award of best e-marketplace in 2017 by the

Navegantes XXI awards. This sales channel counts more than 8 million products available, its e-sellers have an overall average of 4,5 in evaluations and is the store with the highest number of small home appliances references in the country.

Through the years, the company has been gathering its efforts to provide its consumers with the safest possible transactions and to only have high credibility sellers in the e-marketplace platform. And, thus, in alignment with the Portuguese law to combat money laundering and terrorism financing, the integration process for new sellers was designed to minimize risk. Firstly, one should fill out a registration formulary, with the company's information, then there is a commercial analysis, done by the platform's key accounts, to understand if the seller will be useful to the platform. Through this analysis, the e-seller must answer a variety of questions, such as the number of products they pretend to commercialize in the platform, the shipping country, the type of products, and other important information. Also, in accordance with Portuguese law, professional e-marketplace sellers must go through a Know Your Customer (KYC) process. It is a banking process, carried out by an external entity, that includes the company's beneficiaries' ID verification and an analysis of the company's legal documents verification. Each e-seller in the platform has a current account in the platform, and, thus, every payment from the e-seller to FNAC, is completed through the money the seller has in the platform. On the other hand, in terms of payments from FNAC to e-seller, each order passes to the payable state after being ~modified to the "received" state, in the brand's platform. This may happen, in three different ways. First of all, the client may go to the order in their FNAC account and mark it as received; also, if the order had an active and valid tracking code from the shipping company, and the tracking marks the order as delivered; or, finally, 21 days after the order was marked as "sent" by the e-seller and there is no open claim about that order. When an order passes to the payable state, it will be included in the next take of payments, which occur every Tuesday and Thursday.

4.3.1. History

The FNAC Portugal e-commerce website was open to external e-sellers on the 23rd of September 2013, and, thus, became a Marketplace on this date, becoming the first to incorporate this sales channel into their business model in the country. This step was a big contribution to the national economic and commercial development, allowing the foreign seller to commercialize in Portugal, and to contribute to the prices competition, although having different suppliers and, also, potentializing national e-sellers, allowing them to commercialize in a notorious, with high-traffic levels, platform and, thus, increase its sales volume; on the other hand, this sales channel provides the Portuguese consumers with a wider variety of products, again with more competitive prices.

From the brand perspective, the commercial decision to start operating through this sales channel, in syntony with the already well-established brand's e-commerce, has been positive, creating a new income source, not only through the monthly fee associated with the service but also through the commissions retained in every external seller sale in the FNAC's platform.

4.3.2. Categories

FNAC's website operates in a variety of distinct categories. The brand divides its operations into 3 main groups of categories: the technical categories, such as electronics and photography; the editorial categories, such as books and movies; and, finally, the diversification categories, such as home appliances and electric mobility.

The technical categories, such as telecommunications, computing, sound and image, and gaming, are categories where FNAC is well established in the consumer top of mind, due to being the company's core activities. Usually, these categories are predominantly controlled by Asian sellers, due to having cheaper suppliers than European countries, which can practice the most competitive prices. Simultaneously, this phenomenon allows FNAC to provide a wider variety of technical products and, thus, cover a large percentage of this sector's references.

Secondly, the editorial products, such as musical instruments, books, music, movies, merchandising, videogames, games, and toys, are, similarly to the technical products, the companies' core business and, thus, are categories that FNAC is in the top of mind of the Portuguese consumers. Bearing in mind that the company is deeply involved in promoting art, it only makes sense for it to provide the bigger possible catalog in these categories. although the English language is well accepted, others may present a language barrier to Portuguese consumers and, thus, these categories may underperform in e-marketplace scenarios. On the other hand, having e-sellers allow the company to impact very specific demand, for instance, to have a wide variety of vinyl references or even DVD references available through the company's e-commerce.

Finally, the diversification products, such as small and big home appliances, electric mobility, watches, cosmetic and personal care, childcare, sports, bricolage, and garden. These are categories that FNAC deeply invests in since they are the ones in the company that still have the biggest growth margin. The organization is constantly expanding to new markets, trying to consolidate as a digital one-stop shop, where consumers may find a high amount of offers and variety.

4.3.3. FNAC e-marketplace development strategy

The FNAC brand communication is, transversely to the whole e-commerce structure, highly focused on promotional campaigns, both in the direct channel and e-marketplace. Additionally, on the latter, the brand has an intrinsic principle of expansion throughout all its

actions and projects. The FNAC e-marketplace managers periodically focus on developing different specific categories, intending to increase its position in the consumers' top of mind. For instance, throughout the year 2021, the company highly focused on the development of the Home Appliances category. The results are still thriving to this day, increasing the category sellers' quantity, consequently, its sales volume and, ultimately, the whole marketplace sales volume.

The e-marketplace sellers are a key factor in developing a specific category, therefore, the platform managers incentive and support its sellers to engage in promotional activities. Furthermore, the FNAC e-marketplace develops communication plans for its sellers, through its own media, such as newsletters, a home page highlighting, and category page highlighting), with the aim of increasing the seller sales volume and, also, to increase the brand's notoriety in the category's market. The managers are more prompt to offer promotions to brands selling their own products on the platform as their already established notoriety may be crucial to help increase the FNAC's platform notoriety in that specific category. The FNAC platform allows its sellers to engage in different promotional activities, such as common promotions by value or percentage, flash sales promotion that creates a sense of urgency, and, finally, batch promotions only applying the discount only when there are multiple products in the basket.

The e-marketplace managers highly value and promote its seller advice while developing the platform's structure and layout for a specific category. If a seller has been only working in a category for years, naturally, will be more acquainted with that specific market trends and developments. For instance, VidaXL is an assiduous e-marketplace seller that operates in most Portuguese platforms, their aid would be pivotal in structuring the Home and Décor landing and detail pages.

Finally, the FNAC e-marketplace development strategy is focused on developing both participants of its business, the clients, through consumer capture strategies, and the sellers, through developing diversification categories in coordination with its sellers and partnership management strategies.

4.3.4. Home and Décor

This project will be focusing on the Home and Décor segment that, according to FNAC's website, includes the following sub-categories: bedroom, living room, office, bathroom, décor, illuminations, and smart home.

Furthermore, for this analysis, the Home and Décor category will not include household Appliances, garden, art, or alarm clocks.

4.3.5. Sales data

The data presented in this chapter is merely for pedagogical purposes and do not reflect the reality of FNAC's e-marketplace sales volume. The data is fictitious and merely representative of an e-marketplace scenario of a company similar to FNAC Portugal and its influence in the Portuguese market.

FNAC SALES YTD JUNE 2022				
Category	**N**	**N-1**	**Δ N-1**	**% N-1**
Photo	297702	469566	-171864	-36,60%
TV and Video	162220	182168	-19948	-10,95%
Sound	127623	299644	-172021	-57,41%
EGP	587545	951378	-363833	-38,24%
Telecom	788971	1641613	-852642	-51,94%
Mobility	85452	63159	22293	35,30%
Hardware	829935	1637613	-807678	-49,32%
MICRO	1704358	3342385	-1638027	-49,01%
Technical products	**2291903**	**4293763**	**-2001860**	**-46,62%**
CDs	67907	168698	-100791	-59,75%
Musical Instruments	33902	68110	-34208	-50,22%
DVDs	69691	95392	-25701	-26,94%
Gaming	157357	117889	39468	33,48%
Entertainment	328857	450089	-121232	-26,94%
Books	248412	351707	-103295	-29,37%
Games	171465	301079	-129614	-43,05%
Stationery	56466	98566	-42100	-42,71%
Books (Subgroup)	476343	751352	-275009	-36,60%
Editorial products	**805200**	**1201441**	**-396241**	**-32,98%**
Big Home Appliances	402736	333091	69645	20,91%
Small Home Appliances	858257	1487629	-629372	-42,31%
Household Appliances	1260993	1820720	-559727	-30,74%
Gadgets, goodies e games	28950	41879	-12929	-30,87%
Clocks and Alarm Clocks	40125	56484	-16359	-28,96%
Astronomy and Meteorology	25520	36696	-11176	-30,46%
Bricolage	132197	106480	25717	24,15%
Sports and Leisure	76888	329021	-252133	-76,63%
Pets	18923	33836	-14913	-44,07%
Home and Decor	110262	205614	-95352	-46,37%
Garden	73583	104928	-31345	-29,87%
Childcare	17489	28823	-11334	-39,32%
Others	523937	943761	-419824	-44,48%
TOTAL	4882033	8259685	-3377652	-40,89%

Table 4.1 – FNAC Sales date YTD June 2022

Firstly, the table 4.1 is referring to the year-to-date income of FNAC's e-marketplace platform in the year 2022. The values presented in the table are split by each category and

group of categories. The rows in white represent each individual category; the rows in light grey, represent the group of the white rows categories above it; and, finally, the dark grey rows, represent the wider embracing groups, the technical products, and Editorial products, described in the previous chapters.

The first column, in the table above, appoints the categories division of an e-marketplace platform. This division allows a thorough analysis of each category, and its performance and simplifies the process of making comparisons between them. The values in this column are presented in euros.

The following column refers to the sales volume of each category, and its results are presented in euros. Throughout this column, we can understand how much each category is contributing to the total FNAC's income in the present year.

On the other hand, the third column is built following the same parameters as the previous column, but in this case, it refers to the previous year's income, thus, until June 2021. The values presented in this column are also in euros.

The fourth column shows us the difference between both years' comparison. In this case, the difference in income of each category in June 2022 compared to June 2021. The values presented in this column are, also, in euros.

Finally, the last column shows us the variation, in percentage, of this year's income in comparison with the previous year. Or, in other words, the growth rate of the category, or how much the company is below or above what they recorded, on the same date, in the previous year.

4.3.6. Categories' performance

The table in the previous chapter shows us how the company is performing worse than the previous year. However, the previous year was a very atypical one. The period of the analysis, as the whole e-commerce in general, was very influenced by the COVID-19 pandemic, as the physical shops did not operate during this period and, thus, the e-commerce sales volumes increased drastically. Bearing this in mind, when the growth rate of a specific category is higher than the previous year, the category is outperforming its expectations for 2022. On the other hand, the negative growth rate may be interpreted as the closer to 0 the better a category is performing. Therefore, the expectations for the growth rate of a category in this period are between -20% and 0%.

Firstly, analyzing the technical products group, overall, at the moment of the analysis, the company has earned over 2 291 903€, which represents minus 46,62% than the previous year. The subgroup with the biggest decrease in sales was "Micro", which sold less 49,01% than the 3 342 385€ registered in the previous year. In the Micro subgroup, although the Mobility category registered a positive growth rate of 35,30%, both other categories, Telecom and

Hardware, are performing under expectations, with around less 50% sales than what the company registered at this moment, last year. Moreover, the other subgroup, the EGP (Electronic Grand Products), is also presenting a negative growth rate, selling minus 38,24% than the previous year. The TV and Video category is the best performing category, despite selling minus 10% than the previous year, and both photo and sound have been performing below expectation, with minus 36,60% and 57,41%, respectively.

In terms of editorial products, the company earned a total of 805 200€ until June 2022, less 396 241€ than the previous years, which represents minus 32,98%. The Books subgroup was the biggest contributor to the group's sales volume, earning 476 343€, despite being 36,60% below the 751 352€ earned the previous year. The Books category sold 248 412€, and, thus, represented the higher share of sales within the Books subcategory, despite selling minus 29,37% than the previous year. The other categories in this subgroup are Games and Stationery, which sold 171 465€ and 56 466€, minus 129 614€ and 42 100€ than the previous year, in both cases, it represents around minus 43%. On the other hand, the Entertainment subgroup earned a total of 328 857€, presenting a negative growth rate of 26,94%, which is less 121 232€ than the previous year. The subgroup's best-performing category is gaming, with a growth rate of 33,48%, and selling a total of 157 357€ from the beginning of the year until June 2022. The following best-performing category in this subgroup is DVD which sold 69 691€, less 25 701€ than the previous year, which represents a negative growth rate of 26,94%. The other categories are CDs, sold 67 907€, and Musical Instruments, sold 33 902€, which are underperforming in comparison with last year, by 59,75% and 50,22%, respectively.

Finally, inside the diversification group, there are two main subgroups, Household Appliances, and Others. The Household Appliances brought to the company a total income of 1 260 993€, which is less 559 727€ (30,74%) than the previous year. This subgroup income was mainly generated by the Small Home Appliances category, which earned 858 257€, which is minus 42,31% than the previous year. On the other hand, Big Home Appliances, despite reaching a growth rate of 20,91%, only generated 402 736€. The remaining categories, included in the subgroup Others, generated a total of 523 937€, which is minus 44,48%, which represents less 419 824€ than the previous year. The only category that improved in comparison with the previous year was *Bricolage*, which earned a total of 132 197€, presenting a growth rate of 24,15% and, thus, selling plus 25 717€ in the comparison with the year before. The worst-performing category was Sports and Leisure, which generated 76 888€, minus 76,63%. Furthermore, the Home and Décor category earned 110 262€ which is minus 46,37% (95 352€) in comparison with last year and, thus, underperformed compared to the expectations, once it is one of the categories with the highest potential.

The overall FNAC e-marketplace sales volume was 4 882 033€, less 3 377 652€ than what the company earned in June 2021 (which was 8 259 685€), which means a negative growth

rate of 40,89%. This performance, although expected by the company and justified partially by external factors, was below the company's expectations and outlined budget for 2022.

4.3.7. Competitive advantages

Despite not being the biggest e-marketplace in the Portuguese market, the FNAC's platform thrives on some advantages in comparison with its competitors.

For instance, the FNAC company is a multinational company, that operates in France, Spain, Portugal, Belgium, and Switzerland. Each country has its own e-marketplace platform. By managing many sales channels that operate in different markets, the company encourages many foreign cross-platform sellers to integrate into the Portuguese market. Also, the FNAC brand has a high recognition level from Portuguese consumers, thus, transmitting higher levels of security to transactions that take place on the platform and, thus, both consumers and sellers rely on this premise to confidently engage in commercial activities. Furthermore, by operating for several years in the Portuguese market, the brand has developed itself as a specialist in its main business markets, electronic products, such as mobile phones or computers, and entertainment, such as books, movies, or audio and, thus, this category's sellers are more prompt to integrate the FNAC's platform. Finally, the platform was the very first e-marketplace to open in the Portuguese market, and, thus, the platform with the most experience.

4.3.8. SWOT Analysis

The SWOT Analysis is a tool useful for analyzing the company's business competitive scenario within a certain market. This analysis helps companies take more informed corporate decisions in the process of designing strategies and campaigns, by identifying the business's strengths and weaknesses as well as the market's opportunities and threats.

Firstly, analyzing the company's e-marketplace, the business strengths identified were the platform's account management service, which creates a safer and more controlled environment in the platform, the company's experience and brand positioning, which gives credibility to the platform, especially in the core-business categories of electronic and entertainment, the brand notoriety, which may bring website traffic, and finally, the big product database the company has with more than 20 million products already registered. On the other hand, the business weaknesses identified were the lack of catalog automatization, since the platform does not allow the sellers to autonomously upload their catalogs, the slowness of developments, bearing in mind that some website pages still operate with the previous website layout, for instance, the seller's detail pages and digital shop windows, and finally the FNAC platform practice slightly higher commissions than its competitors.

STRENGTHS	WEAKNESSES
• Account management service • Market experience and positioning as a specialist in technology and entertainment • Brand notoriety • Bigger databases	• Lack of catalog automatization • Platform developments speed (Not a Mirakl-based platform) • Slightly higher commissions than competitors
OPPORTUNITIES	**THREATS**
• Growth of e-commerce globally • Well-establish community • Foreign-associated FNAC platforms	• Amazon Growth • Growing inflation and a possible recession • Portuguese market size

Table 4.2

Finally, focusing on the market through which the FNAC e-marketplace operates, the opportunities identified were the growth of e-commerce globally, which is predicted to continuously increase throughout the course of the next years, the well-established community the brand already built, which is crucial in giving credibility for future new category entrances, and finally, the association with foreign FNAC e-marketplaces, which may allow cross-market activities and cooperation. On the other hand, the threats identified were the Amazon's growth, which has been entering and dominating several markets across the globe throughout the last decade, the growing inflation, and a possible recession in the Portuguese market, which may lower the national consumers purchasing power, and finally, the Portuguese market size, which is considerably smaller than most European economies and, thus, generates and attracts less capital and produce fewer opportunities than other foreign markets.

4.4. Problem context definition

According to the data presented above, the effects of the COVID-19 pandemic on the e-commerce volumes, in the Portuguese market, were massive for Portuguese e-commerce sellers, including FNAC. Portuguese consumers heavily adopted digital sales channels in order

to maintain their purchasing habits, and, simultaneously, companies worked towards developing their digital presence and notoriety. The end result was two atypical years, 2020 and 2021, where the sales volumes of the Portuguese e-commerce's increased substantially.

However, the pandemic and all the recursions, such as breaks in the supply chain or business layoffs, brought economic instability to the Portuguese consumer, and, thus, by 2022 the consumer purchasing power have been decreasing, while the inflation rate increasing. Bearing this in mind, there has been a sales volume descent through all Portuguese markets in comparison with the previous years, and FNAC wasn't an exception. Moreover, the Home and Décor category, was among the ones with the biggest sales increase during this period and, thus, showed its potential for digital sales channels, which may use new technology developments in order to enhance the category products' desirability and, consequently, performance.

Accordingly, the development plan, that will be presented ahead, aims to impact the category of Home and Décor of the FNAC e-marketplace platform, increasing its sales volume, increasing FNAC's notoriety in the targeted category among Portuguese consumers, and, finally, increasing the number of active sellers, operating in the targeted category, through the FNAC platform. Furthermore, the plan will mainly focus on developing a variety of marketing and commercial activities that will, ultimately, create a more productive and efficient digital sales environment within the Home and Décor category of the FNAC e-marketplace platform.

5. HOW TO ACT

According to the previous analysis, the FNAC e-marketplace Home and Décor category has been underperforming in the year 2022. Bearing in mind, the category's potential for online businesses and the evolution of e-commerce, more specifically, e-marketplaces, was designed a plan to dynamize and develop FNAC e-marketplace Home and Décor category. The plan is divided into two main strategies, the consumer's touchpoints strategy as well as the market participants' empowerment strategy, and, ultimately, aims to impact this targeted audience most effectively, as can be consulted in the plan's chronogram in the attachments (Attachment C – Part 1 and 2).

The plan will, ultimately, aim to increase the total sales volume of the Home and Décor category. In the time period between January and June 2021, the category earned a total of 205 614€ for the FNAC e-marketplace business. However, in the same period this year, the category has been underperforming by around half the value recorded in the previous year. Taking into consideration the very strong seasonality of e-commerce, the last quarter of each year represents the biggest share in total yearly sales and, thus, it is predicted for this category to sell around 400 000€ in the present year. This represents a growth of 260% from June to the end of the year. This will be the growth rate taken into consideration for the whole e-marketplace in this analysis. So, from the sales table of year-to-date in June, the FNAC e-marketplace had 4 882 033€ total income, thus, it is estimated that the e-marketplace will generate a total of 17 575 318€ by the end of 2022. The Home and Décor Category, which is estimated to sell 400 000€, will account for 2,3% of the total e-marketplace revenue.

Furthermore, the plan's key performance indicators will be, firstly, the category sales volume, which is set to increase by 50%, from 400 000€ in 2022 to 600 000€ by the end of 2023. Additionally, the plan aims to increase its brand awareness in the Home and Décor category by 10 percentual points, from 0% to 10%. Also, the number of this category sellers in the platform is set to increase by 50%, from 180 sellers to 270. Finally, the last KPI is the number of clients, which is set to increase by 30%, from 2325 to 3023 clients.

As described before, the main goal of this plan is to generate sales volume, and, thus, the most relevant KPI must be the Category Sales. Bearing in mind, that the category is estimated to sell 400 000€, which is 2,3% of the total e-marketplace revenue, was defined as the objective to reach 600 000€ in this category sales. And, thus, increase the category revenue share to 3,4% of the total business revenue.

Table 5.1 - Development Plan Objectives - Category Home & Décor

	KPI	Objective	Actual	Future	Source	Timing
Home & Décor Category	Category Sales	50%	400 000 €	600 000 €	FNAC data	Dec 2023
	Category Brand Awareness	10pp	0%	10%	Publivaga by Marktest*	Dec 2023
	Number of Sellers	50%	180	270	FNAC data	Dec 2023
	Number of Clientes	30%	2325	3023	FNAC data	Dec 2023

* FNAC already subscribes this market research

Finally, the total development and dynamization plan costs (Attachment E) are estimated to be around 31 800€, which will ultimately be 5% of the total expected revenue if the sales KPI of 600 000€ is achieved, and thus, this plan aims to be a profitable development plan.

5.1. Consumers touchpoints

As explained in the previous chapter, the commercial plan is focused on developing the FNAC's e-marketplace category of Home and Décor. The proposed commercial and marketing actions will have two main objectives, impacting consumers and sellers, and will be structured according to the online user journey concept.

Firstly, we will propose action focused on creating awareness, through a multimedium campaign, Customer Relation Management (CRM) actions, and, finally, influencers' actions.

After that, we will focus on the Consideration stage, designing and proposing Search Engine Optimization (SEO) actions as well as Search Engine Marketing (SEM) actions and Inbound Marketing, partnerships with carrier companies, partnerships with real estate companies, and the development of a mobile app.

Then, focusing on the Conversion. Firstly, with the goal of acquiring new sellers, will be proposed a lead generation campaign and monthly subscription offers. Moreover, with the aim to develop a smoother and simpler purchasing process for clients, the company may expand its payment methods and develop its already existing partnerships with financial institutions.

Finally, considering the Advocacy stage, it will propose the creation of a webinar or a podcast for e-marketplace sellers and the encouragement and highlighting of positive consumer reviews.

5.1.1. Awareness

First and foremost, the Awareness campaign focused on impacting both sellers and consumers. Bearing in mind FNAC's marketplace is not, at the moment, a brand at the top of mind of the Home and décor segment consumers, this campaign aims to invert it. In order to

build this campaign with the most efficiency possible, it's recommended to make notoriety market research of the FNAC brand in the Portuguese market, as well as in the Home and Décor category.

In this part, we aim to impact the target audience with a multimedia campaign, from TV, radio, social media, and Google Ads. The campaign would be built around a big national celebrity, such as the Portuguese Olympic skater Gustavo Ribeiro, who just won the biggest competition in the Skate circuit, Super Crown, becoming a world champion. The main message of this campaign would be that "FNAC sells everything", and all the advertisement creativities would have to be built accordingly. The call-to-action should redirect the clients to the FNAC website (www.fnac.pt), by highlighting the most recent categories and the categories with the highest potential. By generating traffic to the website, naturally, the e-marketplace sales channel would also be more appealing to new sellers and, thus, have a larger amount of offers and sales volume. This Awareness campaign will have an estimated total price of 600 000€ but will impact all categories in the e-marketplace. Bearing in mind the Home and Décor share of the total business revenue will be only allocated to this category around 2% of the total campaign costs, which is 12 000€.

Secondly, focused on impacting new clients and developing the current ones, FNAC may use its own media, such as newsletters, home page highlights, and category landing page highlights. This Customer Relation Management strategy would aim to make the client aware that FNAC sells a wide variety of products and cover most categories in the Portuguese market, way more than what is visible in its physical shops. The company should use these media channels to reinforce the line of communication established in the multimedia paid campaign.

Finally, with the goal of increasing the platform's notoriety and building toward the top of mind of clients, FNAC may design an influencer campaign. Through this campaign, the brand may select specific influencers with a reasonable reach in each market and communicate to their fan base. My recommendation for the Home and décor category would be an influencer with the profile of Madalena Abecassis, who has a very loyal fan base.

5.1.2. Consideration

In this second part of the plan, we will focus on the Consideration phase of the user journey. This part aims to reach consumers when they are considering buying a specific product from the various alternatives in the market, which is the decision phase in the decision-making process.

Firstly, the company must design a Search Engine Optimization strategy in order to, organically, improve the website status in the various search engine platforms and, consequently, appear more often in relevant positions in the consumers' search lists. In order

to achieve this goal, the company must develop its website to its fullest, for instance, having clean and understandable copywriting on every platform's page, using targeted keywords in relevant places, having a clean and user-experience focus layout on the website, building relevant links through the website pages, improving website speed and load time will ultimately contribute towards higher Search Engine Optimization performances.

Secondly, focusing on appearing in consumers' internet searches often, presenting the best offers quickly and, consequently, leading to an uncomplicated conversion may increase the company's sales volume in a specific category, thus, FNAC may invest in Search Engine Marketing strategies for the Home and Décor category, as the categories online consumers as the target. For instance, investing in Google Shopping, as it is the most popular means and operates in the most used search engine, Google, and, more specifically, the "Performance Max" plan, as it offers the biggest variety of means. This investment may help the brand position its best offers from each subcategory, in the Home and décor category, in front of the most relevant searches and ideally reach a good Return Over Advertisement spent (ROAS). Monitoring the results will play a major role in the efficiency of the campaign, as adjustments may be done in order to reach the campaign's full potential.

On the other hand, in order to increase the company's ability to recruit more national and especially foreign e-sellers, the company could work towards creating partnerships with some of the biggest carriers in Europe. This would make the platform more appealing to new e-seller, once FNAC has higher negotiation power and, thus, would be able to have cheaper shipping prices for its e-marketplace sellers, if they wanted to use them. This would be significantly helpful for the Home and Décor sellers, bearing in mind its products are, often, large in size and, thus, have very expensive shipping costs.

Additionally, the company may design inbound marketing strategies, with the goal to not only have more informed clients through the decision-making process but also highlight the best-performing platform's sellers. For instance, FNAC could, in cooperation with its sellers, create informational social media content, for example, a picture of a room fully decorated by a seller's products with the most recent fashion trends; create fun and informative animated episodes on how to manage a marketplace from the seller's perspective, creating a character that goes through multiple setbacks through running its marketplace account and solving them; and create a blog for e-marketplace sellers, describing the best and worst practices in this sales channel.

Furthermore, FNAC could engage in partnerships with real state companies, for example, Remax or Era. Bearing in mind, that after a real estate client completes the purchasing of a house, the most common next step is to equip it and décor it, we can conclude that both markets can be complementary. Hereupon, FNAC may try to invest in reaching this target consumers, by either displaying some of the e-marketplace's best Home and Décor offers on

the partners' website or by negotiating, with its Home and Décor sellers, discounts for clients that recently bought a house with the real state partner.

Finally, resorting to the services of an external partner, FNAC may develop a mobile application where consumers could see Home and Décor e-marketplace products in three-dimensional real-life scenarios, through the mobile phone camera. This would allow clients to perceive how an item would fit in its current home decoration, generating traffic to the platform, by searching and trying multiple products and, thus, influencing the client's decision.

5.1.3. Conversion

The plan of action, in the Conversion phase, for an e-marketplace success proposal lays in two main focuses, the sellers and the clients. For sellers, the platform should aim to create advantageous conditions in joining the platform and expand its business to a new sales channel. On the other hand, for clients, the platform must ensure that the buying process goes as smoothly and simply as possible.

Firstly, to encourage seller accession to the e-marketplace platform, FNAC may offer monthly fees to the potential new sellers in the Home and Décor category. It is a common practice in the market and will, ultimately, motivate sellers to try the platform and analyze its performance, or, even, allow foreign sellers to have their first contact with the Portuguese market. In order to reach these potential new sellers, the company could design a lead-generation campaign and place it on informational e-commerce-related platforms.

FNAC could expand its partnership with the financial institution that currently supports the FNAC Card loyalty program, in order to expand its operations to e-marketplace activities. This would allow the FNAC card possessors to get credit for higher-value orders, allowing consumers to better manage their monthly cash flow and, consequently, engage in more responsible purchasing. Bearing in mind, the Home and Décor category has a high average product price, it would be one of the most beneficial categories.

Finally, the company may expand its payment methods, either engaging in new partnerships with payment processing companies, such as PayPal or Shopify Payments or by adding installment payments, that similar to the previous proposal, would allow consumers to engage in more responsible purchasing.

5.1.4. Advocacy

Finally, in the advocacy phase, FNAC must aim to generate content through its sellers and clients, therefore influencing future and current sellers and clients in engaging more often with the platform.

Firstly, in a client-focused view, FNAC may try to enhance the seller's positive reviews, creating a sense of trust and security for consumers to engage in commercial actions with the

sellers. As FNAC is a trusted brand by Portuguese consumers and is actively managing the platform, the enhancement of these reviews may play a crucial role in the client's decision to buy from the platform. Especially in the Home and Décor segment, where product quality is among the most demanded characteristics, thus, purchasing a good-quality product, which is able to reach the client in good condition, is valuable and may be catalyzed by other users' positive experiences.

On the other hand, in a seller-focused view, the company could create webinars or podcasts, with its best sellers' testimonials, generating content that may help other sellers in expanding their businesses on the platform.

5.2. How to grow the Home and Décor category on the FNAC e-marketplace

For the second part of the commercial development plan of the Home and Décor category in the FNAC e-marketplace, we will propose actions focused on sellers and clients. Moreover, sellers and clients will be divided into two main targets, the new and the current ones. In short, each proposal be focusing on impacting either new sellers, current sellers, new clients, or current clients.

5.2.1. New sellers

The first part of the plan will be focused on acquiring new e-marketplace sellers. The proposals will pitch in expanding the FNAC e-marketplace sellers' network.

In order to create an entrance flow of new sellers, FNAC may design a referral program. For instance, when a seller enters the platform and claims that the FNAC's sales channel was advised by another seller, the one who advised him could be rewarded with a monthly fee per seller or a periodical commission reduction, for example, having a reduction of 1 percentual point of commission per seller. This referral program would be an incentive for sellers to refer the platform to its business partners, and, at the same time, work towards having benefits in the platform, such as lower costs of utilization or better profit margins.

The second proposal, with the aim of impacting new potential sellers, consists of an always-on active recruitment process. For this proposal, a platform's key account should be assigned as the recruitment responsible and, thus, divide its time between managing its sellers and actively searching for new potential sellers in the competitor's platform, such as Worten, Amazon or KuantoKusta, in the Portuguese market. And, more focused on the Home and Décor category, the key account may search in the Portuguese e-marketplace platform LaRedoute, the French Leroy Merlin platform, or the American platform Etsy. To select which sellers should be contacted, the company must focus on its service levels KPI's, such as evaluation, orders acceptance rate, or claims rate, once, better performing sellers in the

competitor's platform will likely continue their good performance in the new marketplace. In order to incentive sellers to join the platform, FNAC may offer monthly fees.

The third proposal, which aims to expand the Home and Décor category, consists of a social media advertisement campaign, more especially through a LinkedIn campaign. From all social media platforms, for this category, the LinkedIn advertisement platform allows the most efficient investment when targeting business-related characteristics and, thus, FNAC may design a campaign focused on impacting the Home and Décor retail company owners. And present them, directly, the benefits of expanding its businesses to this sales channel.

Finally, the establishment of a partnership with *Câmara de Comércio e Indústria*, a private business association that focuses on the commercial development of its associates nationally and internationally, may be useful for the e-marketplace sellers' acquisition process. The potential partner organization associates are multiple retail companies and, thus, could regularly incentive its sellers to try this sales channel.

5.2.2. Current sellers

The second part of the Home and Décor category development plan within the FNAC e-marketplace aims to improve the performance of the platform's current sellers.

Many e-marketplace sellers' business models forecast a very meticulous entrance into this digital sales channel, often, starting by only integrating a low percentage of its total references in the platform. In order to enlarge the total number of options consumers may have within the Home and Décor category, FNAC must incentive its current sellers to integrate the total amount of references, in their catalogs, in the platform. To achieve this objective, the proposal consists in creating a reward system for extended-offer sellers within the target category. For instance, for each 5000 offers a Home and Décor sellers uploads, a selection of its products would be highlighted in an FNAC newsletter or rewarding the top two sellers of the category with a week displaying a selection of its products on the platform's Homepage, for the first and second week of each month, after the e-marketplace team analyzes the sellers' rankings.

On the other hand, as the sales volume of a specific category is the main indicator of its success within the platform, FNAC must focus on increasing the sales volume of its current Home and Décor sellers. Therefore, the proposal consists in engaging in commission adjustments to the category sellers during the Portuguese market promotional moments, such as Black Friday or Christmas. For instance, FNAC may reduce the whole category's commission standard during this period, allowing the sellers to practice lower prices, or FNAC may help its sellers with the promotions by, for example, paying for the shipping fee of Home and Décor orders.

5.2.3. New Clients

The third part of the development plan is focused on acquiring new clients for the FNAC e-marketplace platform, specifically, for the Home and Décor category.

FNAC is a brand with an extensive client base, the brand's physical shops have been a success in the Portuguese market since a couple of decades ago, as well as the company's e-commerce website. Therefore, the first proposal will mainly focus on impacting the previously described target audience, through Customer Relationship Management strategies. For instance, FNAC could create a monthly newsletter, highlighting the month's Home and Decor best opportunities. This would work towards positioning the Home and Décor category at the Top of Mind of the FNAC's customers as well as increasing the sales volume of the category.

Secondly, also focusing on attracting new clients to the Home and Décor category, FNAC may design and implement an Always-On Google Shopping campaign with the category's products. For instance, there are two main segmentations to enhance this campaign's performance. On one hand, a segmentation of non-FNAC clients would make the campaign only impact consumers who haven't bought from the FNAC platform before and, thus, expand its client base. On the other hand, segmentation of consumers who navigated in competitors' platforms recently, more specifically in the Home and Décor category. This segmentation would aim to impact consumers on the consideration phase of the user journey, and, ideally, would make them choose FNAC's website instead of the competitors' platforms, such as Worten, La Redoute, or Leroy Merlin. This segmentation could be further enhanced by using Custom Audiences, i.e., audiences that the google platform considers similar to the selected one. Finally, for the best possible performance, this campaign should be running at the same time as the main Awareness Campaign.

5.2.4. Current clients

The fourth part of the plan aims to increase the current FNAC clients' purchasing volume and frequency in the Home and Décor category of the e-marketplace FNAC Portugal.

Firstly, in order to increase the clients' purchasing volume, FNAC must focus on increasing the average shopping basket on the platform. For instance, implementing Cross Selling dynamics may be helpful for this purpose. Therefore, the brand could insert a new layer right before the checkout process, where they would display the best complementary offers to the one being purchased. For example, when a client is about the start the checkout process for the purchasing of a dinner table, the platform should display a couple of different chair options, that would be suitable for the table being purchased.

Finally, with the aim to increase the FNAC clients' purchasing frequency, the proposal consists of the implementation of discount vouchers or discount promotional codes for future purchases. These financial incentives may play a pivotal role in encouraging the client to re-

buy from the brand instead of resorting to the competitor's platform. This benefit should be triggered by the order price. For instance, FNAC may recompense its clients with a 5% discount, on the next purchase, for orders above 100€, and a 10% discount, on the next purchase, for orders above 200€.

5.2.5. Transversal

In this last part of the plan, the proposals will mainly focus on transversely impacting all the clients and sellers, the new and current ones. These projects, in accordance with the brand's mission, would aim to, not only, educate all platform users, in order to create a more productive and efficient commercial environment, with the Marketplace Academy and tutorial videos, but as well as providing the clients with the best deals through an entertaining and dynamic way, such as live shopping experiences.

Firstly, the proposal is to build an online Marketplace Academy, through which the company could educate its sellers on the operational processes of operating a marketplace and the best practices of e-commerce platforms, such as product pictures, product copywriting, or promotions management. The Marketplace Academy would, ultimately, aim to create a more prolific and competent sales channel by empowering its sellers. Furthermore, Home and Décor is the only category that the pictures accepted for the product's pages may contain context in the FNAC platform, besides the product being sold. For instance, in this category, if the product that is being commercialized is a bed, a completely decorated bedroom picture, highlighting the bed, is accepted in the FNAC platform. Therefore, the Home and Décor category would avail from the creation of this platform, bearing in mind the importance of the products' pictures and descriptions to draw lure clients to consider buying them.

In addition to the previous proposal, FNAC could incentive its already educated sellers to create tutorial videos for the Home and Décor best-selling products, bearing in mind, numerous of the category's products must be assembled by the clients. For instance, if a client buys a bookcase, the seller will ship the product disassembled and, thus, having tutorial videos on how to assemble it will add value to the seller's offer and, thus, could be a decisive factor in the consumer consideration phase of the decision-making process.

Finally, with the aim to improve the attractiveness of a specific category, the brand may engage in live shopping activities. These commercial activities improve consumer engagement and brand loyalty, for FNAC and its sellers. Moreover, these sensory experiences develop consumers' product understanding. FNAC may use its social media platforms, such as its Facebook account, to operate live shopping activities to enhance the Home and Décor category sales volume. For instance, the company could make weekly live shopping sessions by house division. Each week, a different house division would be decorated by the category's best sellers for this sales session.

6. CONCLUSION

Despite the constant increase of the European e-commerce's sales volume and the growth of the e-marketplace's share in this increase, the analysis of the sales data of the FNAC e-marketplace revealed that the category of Home and Décor has been underperforming in the year 2022 in comparison with what was expected by the company, after the increase in sales and revenue share in the two previous years.

Bearing this in mind, throughout this paper was designed a development and dynamization plan for the Home and Décor category of the FNAC e-marketplace. This plan consisted of a variety of proposals that the company could seize in order to grow this category and, consequently, the whole e-marketplace platform.

The action proposals aim to impact both participants in the e-marketplace business, the sellers and the clients. Furthermore, within each of the participant segments, the proposals may focus on acquiring new sellers and clients or developing the already existing ones. Additionally, the plan focuses on impacting these segments, in the most effective and productive way and, thus, it was also proposed actions focused on impacting the consumers and sellers of the Home and Décor categories during their user journey. Therefore, impacting the targeted audience in the most proficient and effective way was the main focus while developing this development and dynamization plan.

Moreover, the success of any business depends on its profitability, and, thus, the ultimate objective of this plan is to increase the sales volume of the Home and Décor category in the FNAC e-marketplace and, consequently, increase its share in the company's total revenue. Finally, in order to ensure the profitability of the proposals, the total budget for this development plan represents 5% of the expected income. Furthermore, the Home and Décor development and dynamization plan's chronogram, as well as its budget, may be consulted in the attachments.

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8. ATTACHMENTS

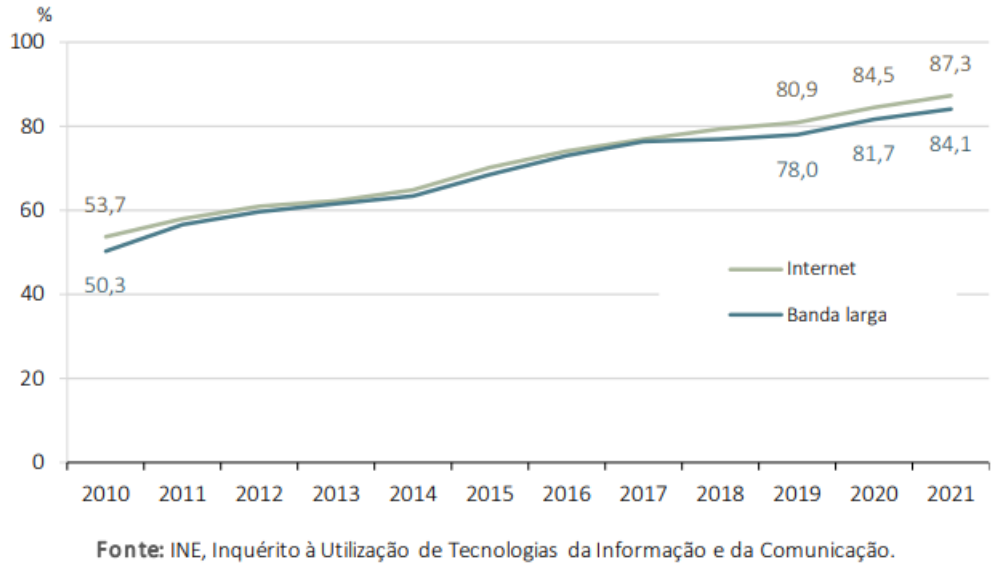
Attachment A

netAudience - Relatório E-commerce Abril 2021

PC	Source	Reach (000)	Page Views (000)	Visits (000)
Worten	meter	1,478	36,026	4,202
Aliexpress	meter	1,367	66,562	6,277
Amazon	meter	1,357	55,172	5,210
fnac	meter	1,193	16,283	2,818
Continente	meter	1,134	46,346	3,821
KuantoKusta.pt	meter	1,045	13,168	2,504
Leroy Merlin	meter	825	24,819	2,297
Booking	meter	740	29,361	2,051
IKEA	meter	700	36,582	2,191
Wook	meter	646	16,263	2,536
TripAdvisor	meter	627	21,770	1,099
eBay	meter	619	24,741	2,505
Decathlon	meter	592	14,824	1,249
El Corte Inglês	meter	513	13,911	1,140
Radiopopular	meter	475	6,228	1,147
Auchan	meter	459	12,409	1,168
Wish	meter	450	10,551	1,055
Dott	meter	431	4,248	682
Sportzone	meter	427	9,326	863
MediaMarkt	meter	424	4,365	752

Source: Markteste, April 2021

Attachment B



Source: INE, November 2021

Attachment C - Development Plan Chronogram

2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
USER JOURNEY												
Awareness												
Multimedia campaign "FNAC sells everything"												
CRM – Newsletters												
Influencers												
Consideration												
SEO												
SEM												
Carriers' partnerships												
Inbound Marketing *												
Real State companies' partnerships												
Mobile App 3D**												
Conversion												
Lead-generation campaign ***												
Expand financial institution partnership to e-marketplace												
Create additional payment methods												
Advocacy												
Enhance and incentive consumer-reviews												
Webinars and podcasts												
HOW TO GROW												
New sellers												
Referral program												
Always-on recruitment process												
LinkedIn campaign _ Home and décor retail company owners												
Partnership with Câmara de Comércio e Indústria												
Current sellers												
Reward system for extended-offer sellers ****												
Commission adjustments to the category sellers *****												
New clients												
CRM: impacting FNAC clients that are not e-marketplace clients												
Always on Google shopping												
○ Non-FNAC clients												
○ Clients that navigated in competitors' platforms												
Current Clients												
Cross-selling dynamics												
Discount vouchers												
Transversal												
Marketplace Academy												
Video tutorials												
Live shopping												

* Animated fun and informative episodes on how to manage a e-marketplace (a character that goes through multiple setbacks); and a blog for e-marketplace sellers

** consumers could see Home and Décor e-marketplace products in three-dimensional real

*** placed on informational e-commerce-related platforms.

**** within the Home and Decor category – highlights in own media

***** during the Portuguese market promotional moments, such as Black Friday or Christmas

Attachment C (Part 2)- Development Plan Chronogram

2023	
USER JOURNEY	
Awareness	
Multimedia campaign "FNAC sells everything"	3 weeks on air, and 1 week out, to optimize weekly resonance, in the first and last trimesters
CRM – Newsletters	Every month in the last week
Influencers	To accompany and reinforce the campaign at the beginning of the year and after the summer, for the Black Friday and Christmas
Consideration	
SEO	Review and optimize bimonthly
SEM	Always on, optimizing the right bids and keywords according to active campaigns and times of year
Carriers' partnerships	Always on partnership
Inbound Marketing *	To create engagement and generate traffic to the website. It will happen at the same time as the influencers campaign and the awareness campaign to reinforce it
Real State companies' partnerships	When there are more searches for home loans (February and end of the year) see the attached table
Mobile App 3D**	To be launched in the first month of the year with more searches for Home Loans (February) see the attached table
Conversion	
Lead-generation campaign ***	Year-round on-air campaign, every other week for better lead management and budget optimization
Expand financial institution partnership to e-marketplace	Campaign always active at the beginning of each month, when families' disposable income is lower (they have already spent their salary)
Create additional payment methods	As soon as posible
Advocacy	
Enhance and incentive consumer-reviews	Always-on
Webinars and podcasts	Every second week of the month, there will be online training for e-marketplace sellers
HOW TO GROW	
New sellers	
Referral program	Always-on
Always-on recruitment process	Always-on
LinkedIn campaign _ Home and décor retail company owners	Active in the months with the most Home Loans searches (February and end of the year)
Partnership with Câmara de Comércio e Indústria	Divulgation action in September, for the rentrée, with members of the Câmara de Comercio de Lisboa
Current sellers	
Reward system for extended-offer sellers ****	Once per trimester
Commission adjustments to the category sellers *****	Black Friday and Christmas
New clients	
CRM: impacting FNAC clients that are not e-marketplace clients	Once a month, sent on the second week of the month
Always on Google shopping	Always-on
○ Non-FNAC clients	Budget reinforcement in the non-client segment: Homecoming (after the summer), Black Friday and Christmas
○ Clients that navigated in competitors' platforms	Budget reinforcement in targeting clients/non-clients who visited the competition's websites; every month in the last week of the month
Current Clients	
Cross-selling dynamics	At the end of the month, when there is more disposable income, to encourage additional purchases
Discount vouchers	At the end of the month, when there is more disposable income, to encourage additional purchases
Transversal	
Marketplace Academy	Every second week of the month, there will be online training for e-marketplace sellers
Video tutorials	Every second week of the month, there will be online training for e-marketplace sellers
Live shopping	Black Friday and Christmas

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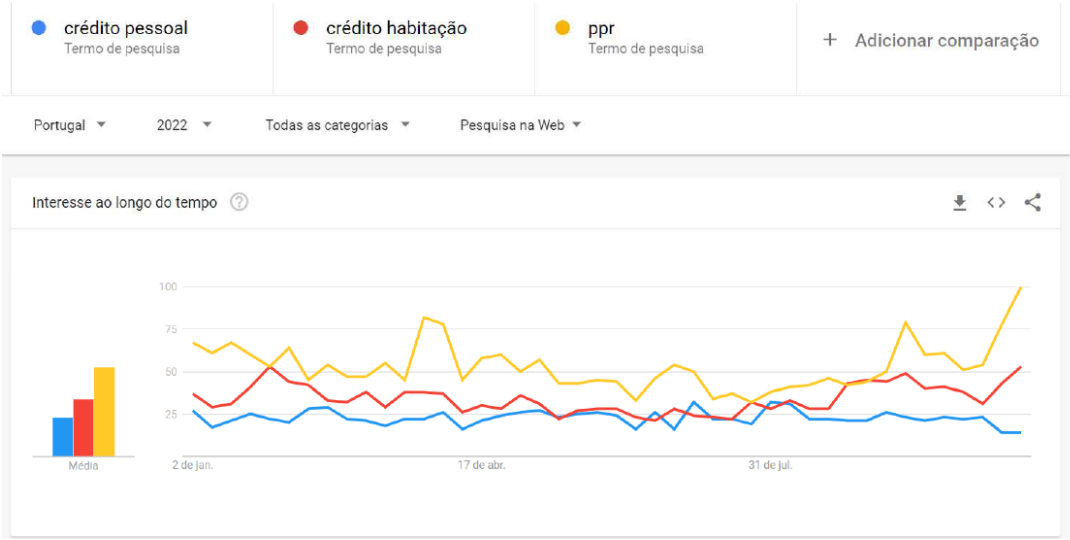
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ATTACHMENT D – Home Loans Google Trends



ATTACHMENT E – Development Plan Budget

Market Place Budget "Home & Décor "	2023	
USER JOURNEY	19 700 €	
Awareness	12 000 €	
Multimedia campaign "FNAC sells everything"	12 000 €	2% of the total campaign budget (€600,000)
CRM – Newsletters	0 €	FNAC CRM system
Influencers	0 €	partnerships through product offers
Consideration	6 500 €	
SEO	0 €	FNAC website SEO with budget already approved for the purpose
SEM	6 000 €	500€/month
Carriers' partnerships	0 €	Partnership per business volume
Inbound Marketing *	0 €	Content creation by the Marketing department of FNAC and distribution by social networks, blogs, etc.
Real State companies' partnerships	0 €	Partnership and communication on the FNAC website
Mobile App 3D**	500 €	Adaptation of an existing app on the market
Conversion	1 200 €	
Lead-generation campaign ***	1 200 €	50€ per active week (24 weeks)
Expand financial institution partnership to e-marketplace	0 €	Partnership with financiers, Klarna for example
Create additional payment methods	0 €	IT department
Advocacy	0 €	
Enhance and incentive consumer-reviews	0 €	They are organic customer reviews, they cannot be paid, otherwise they lose their purpose
Webinars and podcasts	0 €	FNAC's internal training team
HOW TO GROW	12 100 €	
New sellers	5 000 €	
Referral program	0 €	Not paid in terms of communication. Comissions adjustments
Always-on recruitment process	0 €	Not paid in terms of communication. Platform's Key Accounts
LinkedIn campaign _ Home and décor retail company owners	5 000 €	Minimum amount accepted by the platform throughout the year
Partnership with Câmara de Comércio e Indústria	0 €	Partnership
Current sellers	0 €	
Reward system for extended-offer sellers ****	0 €	Not paid in terms of communication. Comissions adjustments
Commission adjustments to the category sellers *****	0 €	Not paid in terms of communication. Comissions adjustments
New clients	7 100 €	
CRM: impacting FNAC clients that are not e-marketplace clients	0 €	FNAC CRM system
Always on Google shopping	6 000 €	500€/month, to be adjusted according to category searches
○ Non-FNAC clients	500 €	Reinforcement in the Black Friday and Christmas
○ Clients that navigated in competitors' platforms	600 €	Reinforcement of 50€/month
Current Clients	0 €	
Cross-selling dynamics	0 €	Presentation of suggestions on the site, according to the data collected from each person
Discount vouchers	0 €	Cost on the seller's side, FNAC will communicate these vouchers on the website
Transversal	0 €	
Marketplace Academy	0 €	Training provided by FNAC's internal team
Video tutorials	0 €	Training provided by FNAC's internal team
Live shopping	0 €	Live Shopping is on Youtube and is communicated on FNAC's website, social networks and CRM
Total	31 800 €	

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