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Lemon Jelly

Spreading lemon through the internet

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Abstract

Title: Lemon Jelly - Spreading lemon through the internet

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Lemon Jelly is a fashion brand that produces and sells plastic footwear. The brand belongs to the company Procalçado, a family-owned Portuguese company that already had an experience of 40 years as a soles and footwear components producer before creating Lemon Jelly. The company is characterized by innovative production processes that allow them to produce plastic injected shoes. Lemon Jelly is mostly being sold through distributors, however it also has an online presence. The brand's official website represents from 5 to 10% of the brand's sales, which were up to 3 million euros in 2015.

The motivation for this dissertation was to write a case study about the e-commerce strategy of Lemon Jelly. The main challenge of the brand is to understand how it can increase its online sales, being this analyzed in the Teaching Note chapter that explores some issues relevant to the main problem of the case and proposes recommendations for the future. The previous chapter, Literature Review, was designed to support the Teaching Note through theoretical concepts.

It is concluded that there are several factors that can influence a brand's online sales, therefore Lemon Jelly should select some of them according to its needs, while monitoring the results at the same time. It is also important to benchmark competitors and other players in the industry in order to keep updated through the digital evolution.

Keywords: e-commerce, online strategy, retailing, social media, e-marketplaces

Resumo

Título: Lemon Jelly - A espalhar limão pela internet

Autor: Ana Sofia Dias Lourenço Balsinha

A Lemon Jelly é uma marca de moda que produz e vende sapatos de plástico. A marca pertence à Procalçado, uma empresa familiar Portuguesa que já contava com 40 anos de experiência enquanto produtora de solas e componentes de sapatos antes de criar a Lemon Jelly. A empresa é caraterizada por produzir através de processos inovadores, o que lhe permite criar calçado de plástico injetado. A Lemon Jelly é vendida principalmente através de distribuidores, no entanto também está presente online. O website oficial da marca representa entre 5 a 10% das suas vendas totais, que atingiram 3 milhões de euros em 2015.

A motivação para esta dissertação passou por escrever um caso de estudo sobre a estratégia de comércio eletrónico da Lemon Jelly. O principal desafio da marca é perceber como pode aumentar as suas vendas online, e para isto é feita uma análise no capítulo da nota de ensino, que explora algumas questões relevantes para o principal problema do caso e onde são propostas recomendações para o futuro. O capítulo anterior, de revisão de literatura, destina-se a apoiar a nota de ensino através de conceitos teóricos.

Conclui-se que há vários fatores que podem influenciar as vendas online de uma marca, pelo que a Lemon Jelly deve selecioná-los consoante as suas necessidades, controlando ao mesmo tempo os resultados obtidos. É também importante efetuar comparações com concorrentes e outras empresas da indústria para a marca se manter atualizada perante a evolução digital.

Palavras-chave: comércio eletrónico, estratégia online, retalho, comunicação social, mercados eletrónicos

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I. Case Study

1. Introduction

The smell of lemon spread through the factory almost makes one forget the noise of the machines. In 2015, two years after launching the Lemon Jelly brand, Procalçado is producing a pair of colourful plastic shoes in each machine every 5 minutes, a necessary rhythm to keep up with global demand. The dimension of the success of the brand was unexpected to José Ferreira Pinto, CEO of Procalçado, who believes that it were the company's innovation efforts that let them go further and made the challenging adventure of creating Lemon Jelly worth it.

Procalçado is located in Vila Nova de Gaia, in the north of Portugal, and generates 23 million euros annually, of which the Lemon Jelly brand is responsible for 3 million. This family-owned company evolved from being a leading soles producer, to also commercializing plastic injected shoes, boots, ballerinas, sandals and bags. [1] Before entering the fashion market with the Lemon Jelly brand, Procalçado had already created Wock in 2008, a brand of plastic shoes for the professional sector that was also based in high technology processes.

The expected double-digit annual growth for Lemon Jelly required Procalçado to adapt to several changes and make some crucial decisions inherent to its increasing dimension, such as hiring new employees, investing in new technological methods and entering new international markets.
Today, the brand is already present in 5 continents, mainly through distributors, and has its own website that also works as an online store. Although Lemon Jelly's online sales are within the average when comparing to other retail companies, for Nuno Leite, e-commerce manager of Lemon Jelly, there is still a lot to grow in the online market, especially in countries such as Germany, UK and France.

The Lemon Jelly project had already been in Procalçado's mind for more than 10 years before the brand was actually created, and now the company wanted to make people from all over the world to have a Lemon Jelly pair of shoes.
But what can be done in order to boost the online success of the brand, if that is possible? What are competitors doing that Lemon Jelly is not?

2. Industry Overview

Despite the economic situation, the global footwear industry has been showing sustained growth over the past years (see Exhibit 1), mainly due to the increase of demand in markets such as Europe, USA, China and India. [2] The production has been gradually moving to lower income and unregulated labor markets such as China, which is the largest exporter of shoes, being 87% of the worldwide footwear production done in Asia. [3] In Europe, the top 5 exporters are Italy, Belgium, Germany, Netherlands and Spain. Portugal ranks in 7th place. On the other hand, USA, Germany, France, UK and Japan are the top importers.

Because of their tradition and reputation, European footwear producers are known for the design and quality of their products that give an added value to their brands. This is also due to their skilled workers and high developed supply chain.
Furthermore, the footwear sector is not the most attractive for young workers, meaning that the market can suffer in the future. The fact that most of the companies are small to medium enterprises also creates difficulties when accessing credit or internationalizing. Additionally, the price of raw materials is increasing and counterfeiting has become a major threat, especially for fashion brands. [4]

2.1. Rubber and Plastic Footwear

The footwear industry can be divided into base materials such as leather, rubber and plastic, textile and others. Rubber and plastic shoes appeared for the first time in Brazil and they were mainly sold to the poorest classes. Later they started to become fashionable and even high-end fashion brands started to explore this type of footwear.

According to APICCAPS, the association of Portuguese manufacturers of footwear, components, leather goods and associated articles, the Portuguese exports of plastic and waterproof footwear increased 92% in the first half of 2014, reaching 55 million euros. The increase in the popularity of this material was mainly due to the rising leather prices that led producers to diversify and use other resources. Still, leather footwear has the highest share in terms of value, though having been decreasing in the last years, while rubber and plastic is the highest in terms of volume (see Figure 1). The latter has the lowest average export price per pair ($5), while leather has the highest ($25). [5]

Figure 1. European footwear production by footwear type share (2013)

Footwear Type	Leather	Textile	Rubber and Plastic	Other Footwear
% Based on Value	80,7%	4,9%	2,2%	12,1%
% Based on Number of Pairs	61,4%	13,7%	7,9%	17,0%
Relative Price	1,3	0,4	0,3	0,7

Source: European Confederation of the Footwear Industry

2.2. Competition

Although plastic and rubber footwear used to be known as cheap and not stylish, a lot changed in the industry after it turned fashionable. Indeed, global fashion companies started investing in this type of materials and brands of shoes specialized in plastic and rubber started appearing, mainly targeting the female segment.

Melissa

The Brazilian brand was created by a once plastic packaging producer, later known for selling rubber shoes in more than 100 countries. Positioned as a high-end fashion brand for women, and many times employing famous designers, it has sold more than 32 million pairs in the last 10 years. Values such as individuality, comfort, style and eco-friendliness characterize the brand, being the last one related to the fact that the shoes are recyclable. The brand has become a pioneer in injected thermoplastic shoes and is also known for their resistance, elasticity, impermeability and sweet fragrance. Melissa shoes are being sold at a price between 50 and 200€, mainly through their own virtual and physical international stores, as well as through distributors. The brand belongs to the group Grendene, one of the world's largest footwear producers, which owns 9 brands, most of them plastic-based. [6] [7] [8]

Hunter

Considered a global lifestyle brand, Hunter started its path by producing safety boots and other industrial products using an innovative vulcanization process. 100 years later, the iconic and stylish model of Hunter wellies was created, having become very popular and instantly recognisable, many

times used by famous celebrities. Hunter, which generated 122 million euros in sales in 2014, produces not only handcrafted boots, but also other types of rubber footwear and accessories, relying on a strategy based on the brand value and selling pairs from 70 to 200€. The brand sells through its website, offering free shipping in Europe for orders over 100€, its international distributors and a flagship store that opened in 2014, in London. [9]

Aigle

Aigle has a strong presence in retailing, not only selling rubber boots but also other types of shoes, clothes and accessories in the outdoor segment. The French brand started by manufacturing waterproof boots for farmers, being later known for producing one of the most durable boots in the world. Flexibility and colour stability are other characteristics of Aigle boots that already exist for more than 160 years. The brand has become more fashionable and the times when they only sold for farmers are long gone. After a realignment and stores makeover in 2006, Aigle started focusing on fashion and aesthetics, never forgetting quality and functionality, passing from launching a new pair every 5 or 6 years, to at least one each year. In Europe, the brand has several physical stores and sells through its own European website for France, Italy, Germany, Spain and UK. [10]

Havaianas

Born in the 60's and inspired by the traditional Japanese sandals, the Brazilian brand has become the world's favourite brand of biodegradable rubber flip-flops. The brand, which belongs to the group Alpargatas, expanded to other countries after the Brazilian market got saturated, and now it has global operations and is present in more than 80 countries. After penetrating different markets, the brand started to diversify its products and also started selling rain boots, espadrilles and accessories, everything rubber based, also allowing clients to personalize some products. [11] The brand sells through its own website, distributors and several brick-and-mortar stores.

There are also a lot of small to medium competitors in the plastic and rubber footwear field.
Be Only is a French brand that mostly sells fashionable and colourful rain wellies from 30 to 75€. The brand is present in more than 22 countries and is recently being sold through its website and more than 1200 multi-brand stores. The brand produces in China and 50% of its clients are women, followed by children. [12]

Bogs is another brand known by its waterproof and weather-resistant footwear. This American brand sells directly in USA and Canada, and generates approximately 27 million euros in sales annually. [13]

In the following table, one can analyse the main details about these competitors.

Figure 2. Comparison between some of Lemon Jelly's competitors

	Melissa	Hunter	Aigle	Havaianas	Be Only	Bogs
Year of creation	1979	1856	1853	1962	2005	2002
Country of origin	Brazil	Scotland	France	Brazil	France	USA
Sales (€)	680 million[1]	122 million	155 million	1,13 billion[2]	6 million	27 million
Number of pairs sold per year	204,9 million[1]	-	1,2 million	218 million	1 million	-
Physical stores	208	1	350	532	0	0
Footwear price range (€)	50-200	70-200	25-250	15-160	30-75	30-270

Source: Table developed by the author

2.3. Consumer Behavior

Consumers' needs and expectations have been constantly changing in the last years, mainly due to the technological revolution that makes information more easily reachable. The general retailing consumption patterns have been slowly shifting to emerging markets, which are becoming more dynamic and attracting many companies' attention, being these expected to represent more than one third of the global retail revenue growth in 2020. [14]

Fashion trends are becoming more and more relevant, especially among young women, which are giving more importance to brands. In terms of consumer behavior, those who search for medium to high-end fashion brands generally base their purchases on the brand image and status, uniqueness of design, high quality and on the relation with their own style. Furthermore, mature consumers are also expected to focus on comfort, reliability and long duration of shoes.
On the other hand, consumers are getting more health, environmental and socially conscious, letting this impact their purchases. [15] [16]

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[1] Sales of the group Grendene
[2] Sales of the group Alpargatas

2.4. Shopping in the Digital Age

It was long ago when companies needed to open new stores in order to grow, or when they thought that selling online would risk customer service or the shopping experience. Online selling has been increasing at a higher rate than traditional sales channels and physical stores are not a determinant of success anymore.

Figure 3. Worldwide e-tail sales as a percent of total retail sales, by region (2015)

Region	Percent
Middle East & Africa	1,7%
Latin America	2,3%
Central & Eastern Europe	2,8%
North America	7,0%
Western Europe	7,3%
Asia-Pacific	10,1%
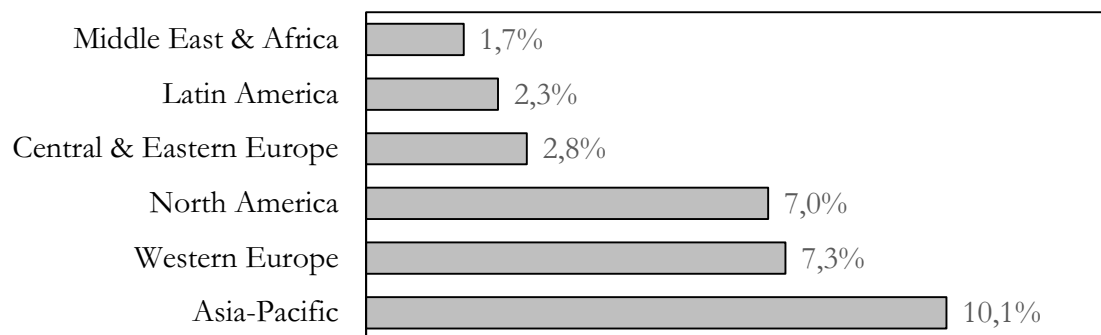
Source: eMarketer

The number of internet users has been rapidly increasing, as well as the number of people with an enabled internet mobile phone, making customers to change their shopping behaviours and heating up the online competition among retailers. Given this, several companies have been adopting an omni-channel strategy, an approach that requires them to combine the online, physical and mobile channels and be available when and where customers want. This allows consumers to search for information through their mobiles, buy an item in the company's website and get it in the physical store, for instance.

Some believe that a consumer adaptive approach might be a key solution to respond to customer requirements, which means that companies need to grow and adapt according to their demanding consumers, while being intuitive and responsive. [18] [19]

Overall, the increasing online presence of companies has been leading to a new buying experience, providing special features to customers, from free shipping to free returns. [20]

Many e-commerce players are following different online models, such as owning an online storefront, implementing click and collect services, paying shopping sites that work as key purchase

influencers, or even selling to or through online marketplaces (or e-marketplaces). [21] Actually, e-marketplaces are expected to own 39% of the online retail market in 2020, providing customers and sellers a trusted digital platform, either it is in their computers, tablets or mobiles. [22]

Figure 4. Top 5 companies by worldwide e-commerce revenue, in US$ Billion (2013)
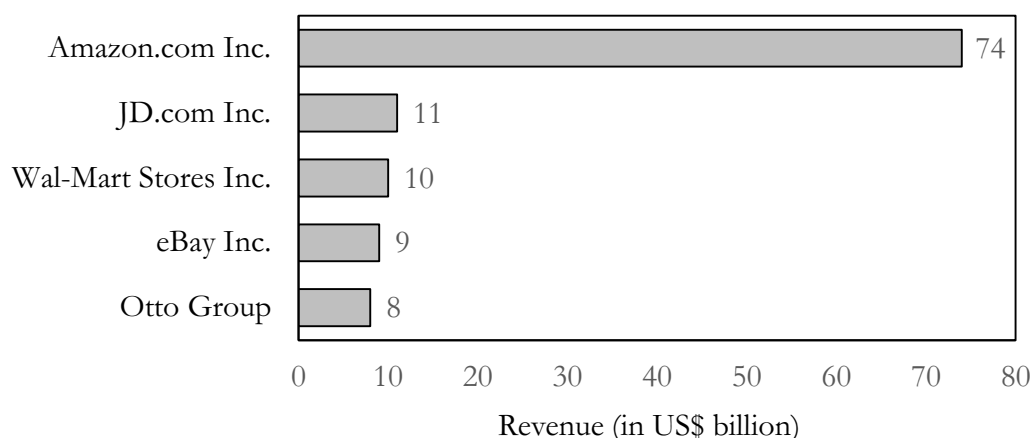
Source: yStats.com

Amazon is the global e-marketplace leader and owns brand stores in 10 countries. It applies commission rates of 15% for apparel and accessories and offers several features to sellers, such as performance ratings or reviews of key areas to improve. [24]

eBay is also one of the world's largest online shopping and auction e-marketplaces, operating in 22 countries. In 2011, it created a commission-based brand store offering in UK and Australia, the Fashion Gallery, which includes more than 100 fashion brands and allows sellers to customize their own page. [25]

Buying through e-marketplaces has been a growing trend. In reality, Amazon and eBay account for 41% of the European share traffic (Exhibit 2 considers the leader e-marketplaces in the European countries with the highest online turnover). [26]

According to research, consumers that buy online are mainly driven by price, convenience and range. [27] With this in mind, companies have also been investing in more effective marketing tools such as search engine optimization (improving the website to be at the top of search engine results), use of online keywords, targeted e-mails (personalizing their content to different customers), or social media marketing (targeting specific customers and trying to promote word-of-mouth through Facebook, for example). [18] These measures are an attempt from retailers to increase

brand awareness and website traffic, while reducing the shopping cart abandonment rates (see Exhibit 3). Indeed, it is estimated that 74,7% of online shopping carts are abandoned, being this expected to be one of the main factors that reduces website conversion rates, which is the share of visitors of a website that actually purchase an item (see Exhibit 4). [28] [29]

In 2014, shoes accounted for 23,5% of European online sales, being the clothing and footwear category the most popular among online buyers. [30]

3. Company Overview

3.1. Creating Lemon Jelly

In 2013, after 40 years as a soles producer under the brand For Ever and a specialized company in producing footwear components, Procalçado's team felt that it was time to take a risk and create a fashion label of plastic shoes. Before that, the company had already produced this kind of injected shoes for brands like Hunter or Carolina Herrera and, after testing new methods, creating moulds and with an investment of 5 million euros, Lemon Jelly was born. For a weekend, Procalçado's team put its creativity in practice and created shoes out of mixing shapes and colours.

Besides that plastic and rubber footwear was seen as a global rising trend, Procalçado's decision to produce plastic injected shoes was mainly due to the rising leather prices. On the other hand, it was a way for the brand not to compete with For Ever's clients that sold leather and textile-based shoes, and since this type of footwear and processes did not exist in Portugal before, the company saw an opportunity on filling this gap. Lemon Jelly was not the first experience of Procalçado on creating a footwear brand since the company had already created Wock, a brand oriented to the professional sector that similarly to Lemon Jelly, brought innovative features to the market. Both are injected plastic based and their models smell like lemon.

The company's process of vertical integration happened gradually through the acquisition of high-tech and innovative equipment that allowed Procalçado to develop a complete line of production, from the design stage to the final consumer. According to José F. Pinto, *"it was a very simple and relatively natural process since we already dominated the technology for many years. I think injection was meant to be the next step: from soles to shoes, we just had to develop more complex moulds".* [31] The main point of the

company on creating Lemon Jelly was not also to globally expand, but also to enhance their industrial core of producing footwear soles and other components.

Lemon Jelly was first presented in the biggest shoe fair in the world in Milan (MICAM) with the Autumn/Winter 2013 collection. Since the beginning that the fresh and dynamic brand had an international target, being already selling in 20 markets in 2014, mostly in Europe and Asia, always with a medium to high-end positioning in the fashion segment. José F. Pinto believes that visibility and reputation are fundamental for achieving success in the future and that their investment and know-how were essential to their growth. First, because Procalçado invested many resources in technology, innovation and on the brand itself, and second because they count with many years of experience in the footwear field, which gives them other insights and different perspectives.

In 2015, the brand has made 3 million euros in sales and it is estimated to reach 6 million euros in 2016. The unexpected rhythm of growth of Lemon Jelly led Procalçado to recruit 100 more employees, equalling to a total of 350. With a capacity to produce 120 000 pairs every day, Procalçado is an example of the work that can be done with a traditional company (see Exhibit 5).

Figure 5. Evolution of Lemon Jelly's sales (2013-2016)
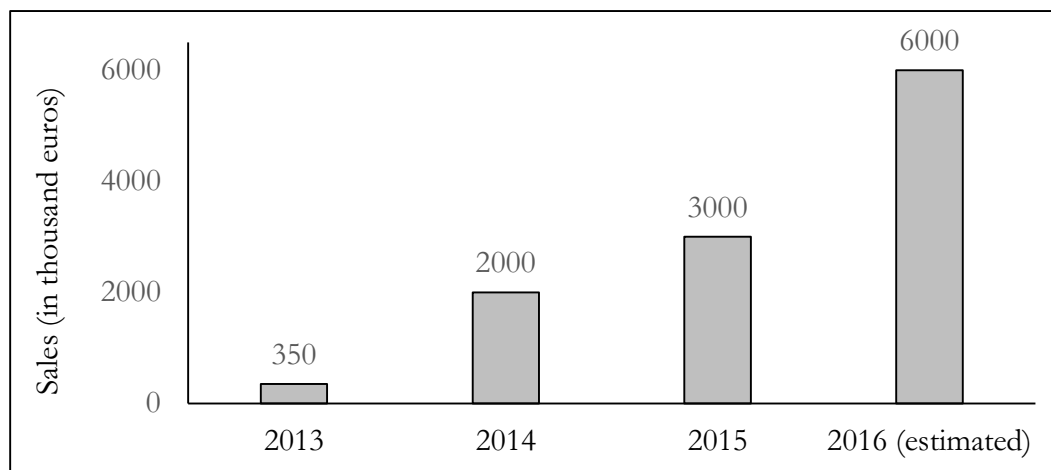
Source: Lemon Jelly

3.2. Lemon Jelly Shoes

"Fresh like a lemon and sweet as jelly", this is Lemon Jelly. Everything is thought to the smallest detail. Even in the footwear fair where the brand was first presented in Milan, the soul of Lemon Jelly

shoes was represented in a sales stand that looked like an old candy store. *"It is a warm concept, but at the same time with a lot of sophistication and a lot of sweetness"*, believes José F. Pinto. [32] In fact, Lemon Jelly shoes are fashionable, innovative, waterproof and smell like lemon, a detail aimed at *"waking up the sweet memories from childhood, just like candies"*. [33] The main values of the brand are based on design, comfort and durability, while also representing joy, youth and fun. Everything goes towards emotions and feelings since José Pinto, the son of Procalçado's CEO and Executive President of the company, believes that the shopping experience should touch people's senses.

Practice makes perfect and Lemon Jelly is an example of that, considering the previous efforts made on For Ever and Wock. Being present for many years in the footwear field, Procalçado has a developed know-how that allows them to produce anything they want. The group owns two factories in the north of Portugal, where an innovative process of plastic injection is used to produce the brand's plastic shoes, boots, sandals, ballerinas and more recently bags.

Oriented towards global sales, Lemon Jelly is mostly designed for urban and independent women, from 25 to 40 years-old, who love color and fashion. Everything is made of plastic and color is everywhere (see Exhibit 6). Men and children's shoes are also included in the collections, each containing about 60 different models that reach consumers at a price range between 60 and 180€. The brand tries to bring together innovation and the classic way of producing shoes, having also been focusing on new characteristics such as comfort and functionality.

Lemon Jelly's products are produced through different molding processes such as compression, polyurethane casting and thermoplastic, ethylene vinyl acetate and rubber injection, in quick, precise and versatile machines. The products are thermally molded at high temperatures, allowing the addition of new pigments and the creation of new shapes. Since 2010 that many efforts have been made towards these high-tech methods and processes, never seen in Portugal before. Procalçado has also collaborated with universities and technological centers and relies on its experienced workers and later on creative professionals, 3D specialists and designers. The company invested in marketing and sales, new departments were created and old ones were restructured.

Procalçado also has social and environmental concerns. Indeed, Lemon Jelly does not use any resources derived from animals and each pair has 15% of incorporated recycled materials. The shoes are actually vegan and although they are not advertised in these terms, José F. Pinto plans to

reinforce it in the future, as he views them as a growing trend that can also allow Lemon Jelly to have a different positioning from some of its competitors.

Besides being eco-friendly, the company also helped creating and has an official partnership with a non-profit organization[3].

When asked about the company's success factors from the last 40 years, José F. Pinto answered that it was the "*quality and innovation, associated with the flexibility and effort on developing new and complex projects with our clients*". [34]

4. Selling Lemon Jelly Shoes

4.1. Distribution

Lemon Jelly's colorful website was launched in 2014 with the Spring/Summer collection, one year after the brand was first presented (see Exhibit 7). It divides the collections by themes and by type of product, either it is women, men, children or accessories. Every single product is described by a sentence such as "A shield against boredom" or "The trustful pair". The website allows clients to create an account, go through the products, choose what they want to buy, and checkout with the online payment, available through PayPal, credit and debit card or money transfer. To the value of the product are added delivery charges, which are not refundable if the client returns it. Clients can also subscribe the brand's newsletter or even send it to a friend (see Exhibits 8 and 9 for a comparison with competitors' website).

The sales through Lemon Jelly's website represent from 5 to 10% from total sales and have been exponentially increasing since its creation, however the products are not only sold through this channel (in Exhibit 10, one can find the online share of some known brands over their total sales). In fact, the brand is also being sold in Europe through Amazon and in other multi-brand websites and physical stores, through distributors, being Portugal, UK, Germany, France and Spain its main clients. The sales through Amazon are not significate since there are other distributors selling Lemon Jelly's products.

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[3] "Pony Club do Porto" is a private social solidarity institution that promotes the social inclusion of people with special needs

Meanwhile, the same happens with other competitors in the business, as all of them sell through their own websites and through distributors or e-marketplaces (see Figure 6 and Exhibit 11).

Figure 6. Presence of Lemon Jelly's competitors in the main European e-marketplaces

	Amazon	Otto	Zalando	Asos	Groupon	Cdiscount	La Redoute
Lemon Jelly	X		X				X
Melissa	X		X	X			X
Hunter	X		X	X			X
Aigle	X	X	X				X
Havaianas	X		X	X	X		X
Be Only	X		X			X	X
Bogs	X						

Source: Table developed by the author

The brand has been studying the market acceptance on having its own store, however they believe that the subsequent investments should be made in marketing and penetration strategies in order to get recognition. 80% of Lemon Jelly shoes are sold outside Portugal and they are present in more than 100 points of sale through distributors and retailers, from Printemps in Paris to I.T. in Hong Kong. Meanwhile, many of its main competitors have their own physical stores, most of them internationally. Most of Lemon Jelly's competitors follow an omni-channel approach by allowing clients to pick up or return their products in the nearest store, or even just book them through the website.

On the other hand, Lemon Jelly has already experienced the concept of pop-up store, a temporary space that is only open for a short time, in Tokyo and Paris. Actually, the brand was invited by the Parisian and oldest luxury department store in the world, Le Bon Marché, to expose its most recent collection[4] during 2015 Christmas season, right next to brands like Gucci, Prada or Chanel. This experience helped positioning Lemon Jelly in a higher-end fashion segment. The brand was also able to put in practice a new customization feature, where clients could make their own combinations of shoes, mixing colors and adding different features.

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[4] Royal Gossip Collection

4.2. Promotion

The hard work done on Lemon Jelly started to compensate after the brand won its first award (see Exhibit 12). This and many other prizes helped the brand to gain visibility and awareness, which is the most important objective for Lemon Jelly at the moment.

The brand's main promotion channel relies on social networks, such as Facebook, Instagram and Pinterest, where it aims to grab the attention of potential clients. The brand has personalized Facebook pages for different countries and it regularly publishes news, models of the collection and promotional videos (see Exhibits 13 and 14).

Mainly due to its innovative traits, Lemon Jelly has also been noticed in many magazines, newspapers and blogs, where sometimes readers are given the possibility to enter a contest and win a Lemon Jelly pair. The brand tries to pass an image of reputation and reliability to the press by sending press releases or proposing interviews and models for the fashion-related pages.

The brand is also regularly present in several international footwear fairs such as Magic in Las Vegas, GDS (Global Destination for Shoes and Accessories) in Dusseldorf, and many others.

5. Future Challenges

The most recent brand of Procalçado is having an unexpected success and this is reflected on the increasing number of sales and the higher recognition in the market. The investment made on Lemon Jelly was not only financial, but it also involved the effort of the company's employees who believed in the high potential of the brand and try to be innovative and creative in a new and unknown segment like fashion. From a once small and family-owned factory, Procalçado turned into a big group that has two brands to manage and sells high-tech plastic shoes, full of color and different shapes, having a medium to high-end fashion target market.

However, there is still a lot of work to do as the next step for Lemon Jelly is to become an international example of innovation and design. The brand needs to become more popular and achieve a bigger dimension, mainly in the European market.

While sitting at his desk, Nuno was wondering about how the brand was seen by the market and what was its online positioning and visibility.

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What can be done to keep up with Lemon Jelly's biggest competitors that are in the fashion segment for years? What can be done to influence people to buy online and increase Lemon Jelly's online sales? Maybe the solution passed by improving the brand's website, or perhaps having a different approach towards e-marketplaces, considering the competition with its distributors. The answer could also pass by developing new efforts in the brand's online marketing strategy.

The e-commerce manager responsible for the brand knows that it is not too late to make another big jump with the brand… The only question is how?

6. Exhibits

Exhibit 1. Global footwear market value (2009-2013)
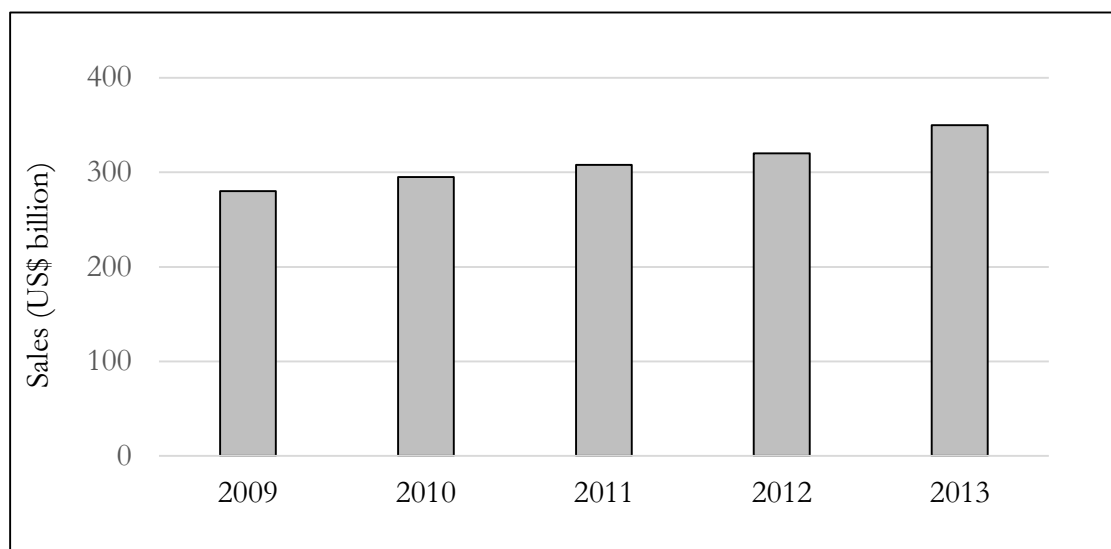
Source: Euromonitor International

Exhibit 2. Top European e-commerce markets

	Internet penetration	E-commerce sales	Weight of e-commerce in total retail sales	Weight of e-commerce in clothing and footwear sales	Average spent by person annually	Top e-marketplaces	Type
Germany	89%	€ 44,2 billion	7%	25%	€ 672	Amazon	General
						eBay	
						Otto	
						Zalando	Fashion
						DaWanda	Handmade
UK	90%	€ 51,3 billion	13%	20%	€ 1 028	Amazon	General
						eBay	
						Tesco	
						Asos	Fashion
						Groupon	Promotions
France	83%	€ 26,9 billion	5%	20% [5]	€ 539	Amazon	General
						Cdiscount	
						eBay	
						PriceMinister	
						La Redoute	Fashion

Source: Table developed by the author

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[5] Estimated value for 2020

Exhibit 3. Survey: Online shopping cart abandonment reasons
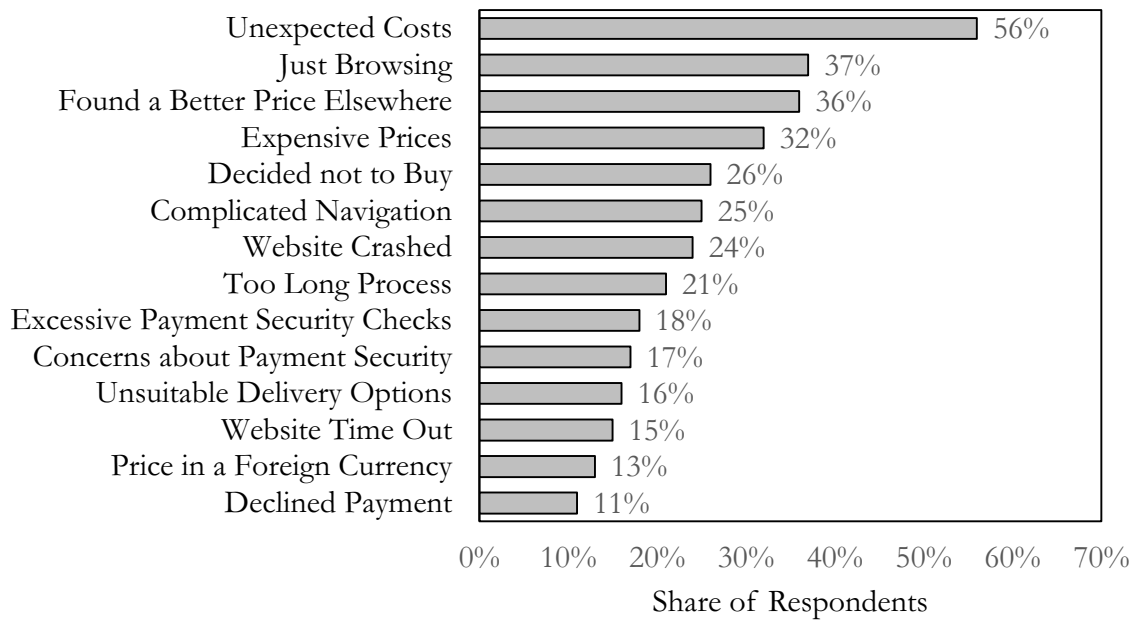
Source: www.statista.com

Exhibit 4. Survey: Online sources that generate the greatest traffic and converted traffic
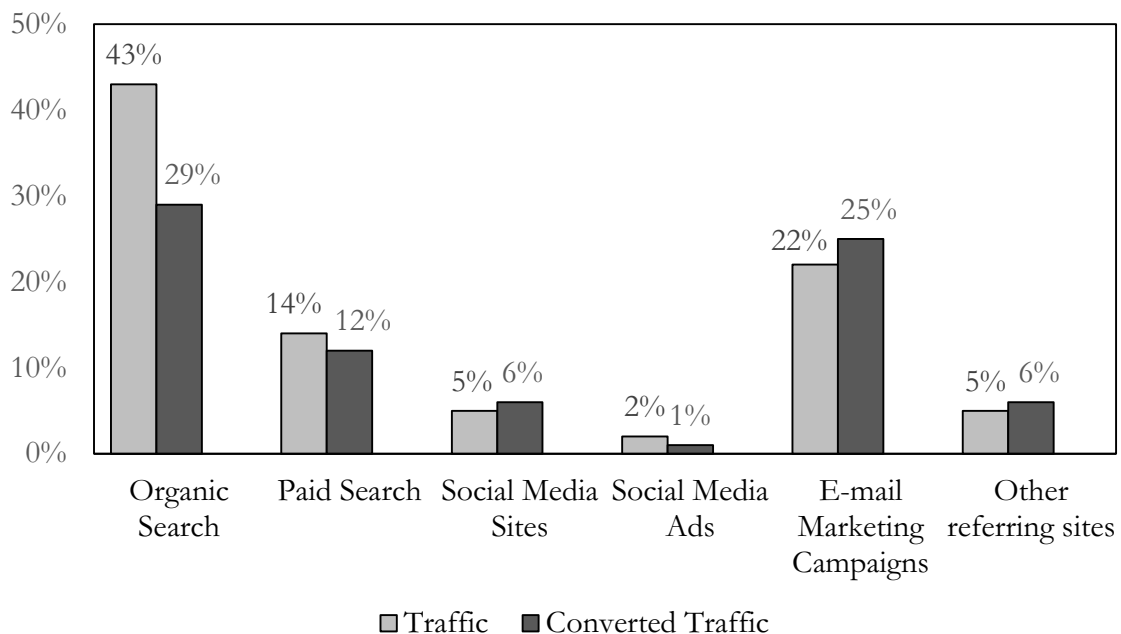
Source: www.marketingsherpa.com

Exhibit 5. Financial data of Procalçado

	2014	2013
Sales	22 679 780 €	6,4%
Net Profit	1 141 083 €	-32,1%
Total Assets	21 414 797 €	14,9%
Liabilities	12 173 976 €	15,8%
Equity	9 240 821 €	13,8%
EBITDA	2 353 295 €	-8,1%

Source: www.informadb.pt

Exhibit 6. Examples of Lemon Jelly models

Ballerinas   **Shoes**   **Men's Shoes**

Boots   **Sandals**   **Bags**

Source: www.lemonjellyshoes.com

Exhibit 7. Lemon Jelly's website

Source: www.lemonjellyshoes.com

Exhibit 8. Comparison between other players' websites

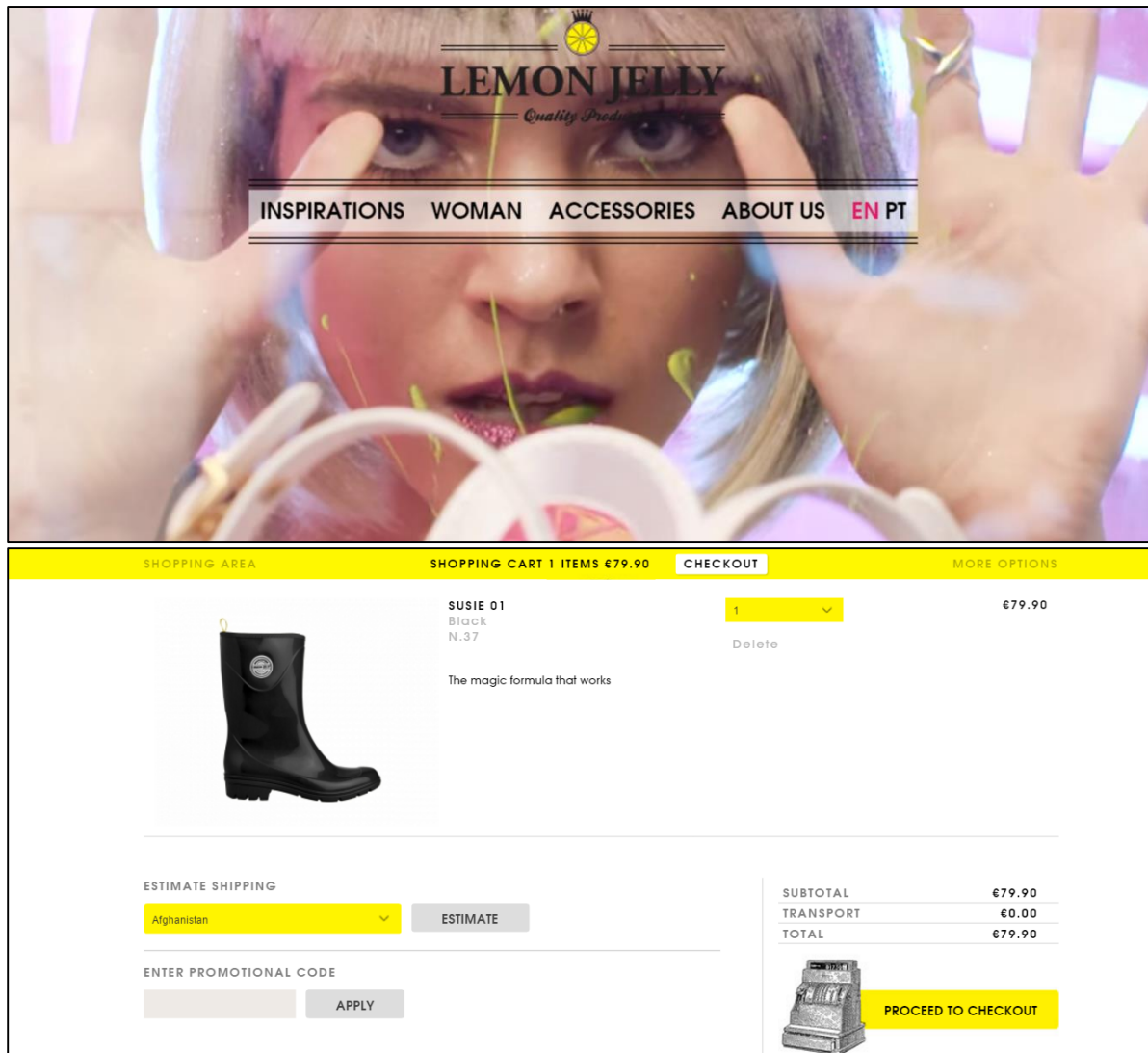|	Footwear					Sportswear	Office Supplies
	Lemon Jelly	**Melissa**	**Hunter**	**Be Only**	**Bogs**	**Nike**	**Staples**
Delivery	International	USA, UK, Brazil, Italia	International	8 European countries	International	International	International
Product Display	By collection or consumer type	By collection, designer or product type	By consumer type	By consumer type	By collection, consumer or product type	By consumer type	By product type or suggestions
Brand Information	X	X	X	X	X	X	X
Product Description	X	X	X	X	X	X	X
Size Guide		X	X		X	X	
Client Reviews		Brazil only			X	X	X
Client Account	X	X	X	X	X	X	X
Online Chat		Brazil only	X		X	X	Depends on the country
Search Box		X	X	X	X	X	X
Shipping/ Delivery Information Section		X	X	X	X	X	X
FAQs[6]	X	X	X	X	X	X	X
Social Networking Pages Link	X	X	X	X	X	X	X
Newsletter	X	X	X	X	X	X	X
Payment Methods	Credit and Debit card, Bank transfer, PayPal	Credit and Debit card, PayPal	Credit and Debit Card, PayPal	Credit and Debit card, PayPal	Credit card	Credit and Debit card, PayPal	Credit and Debit card, PayPal, Bank transfer
Different Currencies		X	X	X	X	X	X
Free Shipping		UK	In some countries (on orders over a certain amount)	France and Belgium only (on orders over a certain amount)	Australia and US only (other countries on orders over a certain amount)	On orders over a certain amount	On orders over a certain amount or with pick up service
Free Returns			UK and US		US and Canada	X	X
Additional Features	Background Music, Videos	Videos		Press releases	Videos, Press Releases, Information about distributors	Product Customization, Pick up in Store, Give Feedback, Mobile App	Pick up in Store, Give Feedback, Mobile App

Source: Table developed by the author

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[6] Frequently Asked Questions

Exhibit 9. Simulation of shipping costs

Note: Shipping Costs estimated for an order of 100€

		Lemon Jelly	Melissa	Hunter	Be Only	Bogs
Destination	**Portugal**	3,95 €	-	18,00 €	-	12,61 €
	UK	14,95 €	0,00 €	0,00 €	12,00 €	0,00 €
	Germany	14,95 €	-	8,00 €	12,00 €	12,61 €
	France	14,95 €	-	8,00 €	0,00 €	12,61 €
	Poland	26,95 €	-	18,00 €	-	-
	United States	58,95 €	0,00 €	0,00 €	-	0,00 €
	India	108,95 €	-	44,13 €	-	-

Source: Table developed by the author

Exhibit 10. Examples of other brands' e-commerce share

Sector	Brand	Weight of Online Sales
Apparel	Urban Outfiters	20%
Sportswear	Nike	15%
Office Supplies	Staples	21%
Apparel	GAP	14%
Apparel	Ralph Lauren	5%

Source: Table developed by the author

Exhibit 11. E-marketplaces analysis

	Sales (€)	Active customers	Category
Otto	6,5 billion	16 million	Fashion, Technology and Furniture
Asos	1,4 billion	10,9 million	Fashion
Groupon	2,7 billion	53,9 million	Promotions
Cdiscount	1,6 billion	13,6 million	General

Source: Table developed by the author

Exhibit 12. Awards won by Lemon Jelly

Year	Prize	
2013	Revelation Brand	GAPI Award
2014	Innovative Footwear - Women Segment	
2015	Women's Footwear Brand of the Year (Top 8)	Drapers Footwear Awards
	Best Innovation in Footwear (Nomination)	
	Innovative Product (Honorable Mention)	COTEC-NORS Award
	Big Companies Category (Honorable Mention)	NOS Innovation Prize

Source: Table developed by the author

Exhibit 13. Comparison between social networking sites

	Facebook	Google+	Instagram	Pinterest	Twitter	YouTube
Key Demographics	All	Tech oriented and early adopters	Mainly ages 18-29	Mainly females aged 18-29	Mainly ages 18-29	All
Market	B2C	B2C	B2C	B2C	B2B/B2C	B2C
Website Focus	Sharing news, content, stories	Sharing news, content, stories	Sharing images/videos	Sharing products/ websites	Sharing news, content, stories	Sharing informative and entertaining videos
Exposure Opportunities	Likes and comments on content	Shares, comments, add to circle activity	Likes and comments on images/videos	Likes, comments, repins	Re-tweets	Subscribe and share activity
Advertising Opportunities	Ads, sponsored stories	-	Sponsored images/videos	-	Promoted tweets, trends and accounts, enhanced profile	Video, reach and display ads

Sources: www.sbmarketingtools.com and www.business2community.com

Exhibit 14. Number of followers on social networks

	Facebook	Twitter	Instagram	Pinterest	YouTube	Google+
Lemon Jelly	140 080	74	11 300	769	32	-
Melissa	4 960 631	14 900	1 100 000	5 000	1 12 871	321
Hunter	358 646	92 100	270 000	18 400	1 502	160 799
Aigle	154 015	7 700	12 000	446	408	145
Havaianas	6 425 987	11 300	43 000	1 100	4 880	655 639
Be Only	1 447	261	144	10	-	1
Bogs	90 846	3 075	6 562	1 100	-	71

Source: Table developed by the author

II. Literature Review

1. E-tailing

The internet has been transforming retail and nowadays consumers do not need to leave their homes to purchase an extensive diversity of goods, or even to search for information about them. [47] When talking about e-commerce in retail, Rao (1999) defined e-tailing as the *"process of selling products and services through an online interface like the World Wide Web"*.

1.1. Consumer Behavior

When it comes to purchasing fashion goods, e-tailing can bring several advantages for consumers. For instance, products can be bought at more affordable prices, consumers can find exclusive products, and it can be more convenient to them, as it avoids lines or the need of transportation. [49] There are also some apprehensions to buying online, such as making sure that the product is really worth the price [50], or fearing scams and robberies. [51]

When it comes to understanding consumer behavior in online shopping, one should also focus on the consumers' motivation behind the purchase, either it is hedonic or utilitarian. [52] When the motivation is utilitarian, it means that the customer wants to achieve its objective in the fastest and most efficient way, as simple as possible. [53] On the other hand, the motivation is considered to be hedonic when the consumer enjoys the shopping experience in a fun and playful way. [54] Considering this, consumers prefer to shop in a physical store if they are looking for hedonic fashion products, as they tend to seek communication, product evaluation and sensory stimulation. [55] It has also been shown that online shoppers use their free time to search for fashion goods, as they consider it to be amusing. [56]

It is also believed that consumers' knowledge and familiarity with the brand can positively impact online shopping, since it can reduce the perceived risk. [57]
According to Blázquez (2014), it is important to use different and interactive technologies in the online channel, such as the possibility to buy through mobile phones, in order to enhance consumers' online experience. As consumers are more and more adapted to buying online, it is also expected that they will search for the same kind of experience as they would have in a physical store.

1.2. Online Influencers

The consumers' perception of the potential purchasing risks has a negative influence on online shopping, however this can be mitigated through higher interactivity, availability of different types of information, and playfulness and design quality of retailers' website. [59] [60]

On one hand, interactivity gives customers the idea of making a better choice by using the help of the retailer. On the other hand, it allows sellers to meet their customers' needs and adapt their selling methods [61], also increasing consumers' trust and confidence and having a positive impact on the purchase. [62] Indeed, it has been evidenced that sales can be more effective when communication is adapted to what a specific consumer needs or wants [63], and this can also be applied to e-commerce. As an example, online interactivity can be reached through e-mail and frequently asked questions (FAQs), which give insights about consumers' common doubts related to the purchase. [64]

Consumers also enjoy being informed and in control of their decisions in an attempt to reduce their perceived risk. Therefore, if there is lack of information from retailers, this will negatively impact purchases. [65] By providing complete information, consumers will feel more comfortable with their buying decision, and it will decrease their perceived risk and uncertainty. This information can include the order status, buying procedures or the available services. [66] Indeed, companies should pay attention and improve the information and service quality they provide, having a service-oriented mind to better serve their customers, and also focus on the usability of their website. [60] In order to improve the website usability and ease the search for information, companies should provide tools such as keywords, help pages, menus, search engines and site maps. [67]

The playfulness of the website can be reached by enhancing hedonic pleasures through customers' motivation, excitement and concentration. Hence, websites should include attractive features to increase consumers' enjoyment. [60] Additionally, it has been shown that consumers are predisposed to use technology, hence if retailers provide a technology-based experience, consumers will actively react. For these reasons, customized site features can increase the benefits of consumer loyalty and decrease the retailer's costs of retention, as it positively impact online sales and customers' perception of the website. [68] Indeed, customization is one of the most promising marketing tools in the fashion industry since it gives tailored information to specific consumers

and provides them a superior shopping experience [69], leading them to spend less time in deciding whether to make the purchase or not. [70]

Other studies suggest that online consumers consider pictures to be important, as well as the possibility to easily view the products from different perspectives and combine them with other products. [71] The perceived aesthetic quality of the website depends on the consumer and on the design characteristics, and its effect on the consumer is different according to the product and shopping task characteristics. [72] It has also been proved that the simplicity of navigation, fast loading times, and the effectiveness of product delivery are drivers of online retailing. Likewise, there are other factors that can work as facilitators when shopping online, such as well-defined transaction policies, interactivity of buyer and seller, and transaction safety and privacy. [73]

The popularity of the website can also be increased if it appears as one of the first results in search engines, reaching real and potential clients, and spreading the brand through the internet. Indeed, several internet users think that the top results in search engines are leading brands, which many times is not true, but it can increase online brand equity. [67]

Other studies refer that consumers focus on more issues rather than on the website interactivity, such as the delivery service. If there is a problem in the transaction, consumers also value how the e-retailer solves it. [74] Customer loyalty and retention has also been shown to be impacted by service quality. [75] This can be achieved, for example, through up-selling, a strategy to convince customers who have just bought a product to buy a better one or an upgrade, or cross-selling, to convince customers to buy a product that increases their reliance on the company and decreases the possibility of changing to other seller. [76]

1.3. Website

A brand's website works as a *"platform for interaction between an online retailer and a buyer"*. [73] Retailers need to provide a website that creates value and goes towards consumers' needs, trying to surpass the e-tailing lack of face-to-face contact. [66]

It has been shown that there is a pattern across different sectors on the website variables that relate with positive consumer satisfaction, such as the payment process, delivery time, customer service, satisfaction with claims and accessibility. In terms of price, it seems that in most sectors it is not a determinant of satisfaction. [77]

1.4. Online Marketplaces

E-marketplaces, with Amazon and eBay being some examples, are online intermediaries that match buyers and sellers. [78] These allow retailers to access a wider range of potential consumers, usually in exchange of an expense such as a fee or revenue sharing, or even entering in competition with similar products. [79]

When choosing in which e-marketplaces to be in, companies should define their internal requirements, and later compare them with the requirements, business drivers and enablers of each e-marketplace. [80] There is not an ideal number of how many e-marketplaces should a company choose, however some studies suggest that it is more than one, in order to deal with different transaction mechanisms and understand which work better for them. [81] [82] Stockdale et al. (2002) suggested a framework for selecting e-marketplaces:

Figure 7. Framework for selecting e-marketplaces
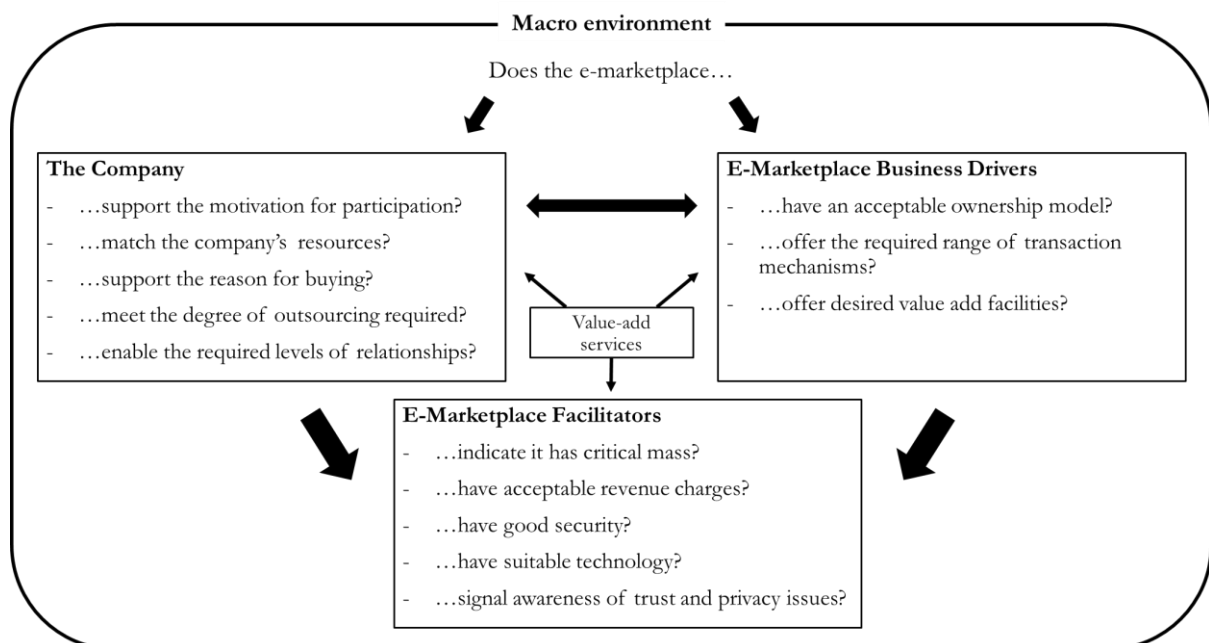
When companies sell directly to customers, they can start competing with existing distributor partners (vertical channel conflict). If this happens, the manufacturer can pay a commission to the distributor to send all customers to the direct channel, or even give resellers the whole selling function in some channels. [83] Other strategies can pass by setting superordinate goals, a better communication, and coordination between all channel entities. [84]

If there is not an agreement, companies need to differentiate their services from distributors by easing the purchase, for example. [85]

2. Social Media

Social media is defined as *"the media for interaction"* [86], supporting many companies' marketing efforts, mainly in terms of consumer research, sales promotion, advertising and branding. [87] Social media includes different word-of-mouth forums such as discussion boards, blogs, consumer review websites and social networking websites. [86] In order to evaluate a brand's social media strategy, one can use common metrics such as the number of fans and followers. [88]

Some studies revealed that social media reduces consumers' online discomfort, making them to trust other consumers rather than on advertising. [49] [89] This is a way to gain trust from a wide range of consumers in a simple and cheaper way. [90] Furthermore, social media increases consumers' brand knowledge, as well as their emotional affection to the brand. [91]

2.1. Social Networking Sites

Social networking sites *"participate in connecting individuals and organizations in promoting knowledge sharing, developing digital identities and exchanging ideas and values, but they are also a new form of political propaganda"*. [92] There is a difference between social networking (e.g. Facebook), video-sharing (e.g. YouTube), microblogs (e.g. Twitter) and forums, among others. [93] Social networks have been contributing to the growth of retail sales, demonstrating that consumers can influence each other's purchase decisions. [94] For instance, brand fan pages allow followers to interact with the brand, being these customers more loyal and more receptive to information. [95] It is important for brands to monitor discussions in online social networks in order to get feedback from customers. [96] It is now possible to understand how customers manage information in their shopping behavior through the use of social media, such as ratings and evaluations, discussion groups or blogs. [97] [98] The information shared in social networking sites generates electronic word-of-mouth, many times being this the base of many consumers' purchases, as online interactions increase [99], also influencing brands' image and sales. [100]

There is little information about how the brand can gain popularity through social networking sites, however there have been some insights that suggest that the brand should publish different kinds

of posts such as videos, images or questions. [101] [102] It has been shown that if a brand wants to increase the number of likes in its fan page, it should make a highly vivid or a medium interactive post, such as contests or videos. [103]

Having people visiting a brand's page can increase the brand's website traffic, and therefore increasing the chance of making more sales. [104] Online social networks, such as Facebook, are also becoming more integrated with e-commerce, allowing the addition of catalogs, purchase cards and payment options, for example. [105] This leads to the concept of social commerce, *"the use of social networks in the context of e-commerce transactions"*. [106]

Online branding depends on what the brand wants to achieve, therefore it needs to be focused on clear goals in order to be successful. Many brands start by developing a simple website, later increasing their engagement by providing features that offer a higher interactivity or simplify the purchase. [107] Because the most common forms of online marketing (e.g., pop-ups and banners), are no longer recognized by many internet users, brands need to follow new models for promoting their web traffic. [65] With this in mind, brands should advertise in an interactive, innovative and promotional way in order to catch people's attention. [108]

Consumers' purchase decisions are many times influenced by people they trust, instead of people they do not know. [109] Harris and Goode (2004) defend that online loyalty depends on consumers' trust, which can be enhanced through loyalty marketing efforts such as loyalty schemes, online communities, an operational customer service, and a two-way communication. [111] After making a purchase, customers can make a review of the product they bought, creating electronic word-of-mouth. [112] Electronic word-of-mouth has been defined as *"any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet"*, [113] and has become an important influencer for buying decisions. [114]

The benefits of social media can also be passed through online influencers, which are people that can spread the brand through their networks [115], thus companies need to identify their influencers to make sure that the message is passed in a specific environment, in an attempt to enhance consumers' trust. [116]

2.2. Other Online Strategies

Paid search is a paid advertising strategy that consists on sellers choosing keywords and creating advertisements to appear in the top results of search engines, such as Google. When consumers click on the ad, they are taken to the website. Organic search differs on the fact that consumers click on a non-paid link at that same search engine or other link. [117]

E-mail campaigns are also expected to produce twice the return when comparing to other forms of online marketing, such as banners. [118] If consumers receive regular promotions, they will always be expecting for the next one, so now retailers design limited time promotions in order to surpass this phenomenon. [119]

III. Teaching Note

This Teaching Note was developed to be used as a basis and a guideline for instructors when discussing in class the case study of *Lemon Jelly: Spreading lemon through the internet*, written by Ana Sofia Dias Lourenço Balsinha, under the supervision of Professor João Simão Pires. It includes a summary of the case study, its main learning objectives, one main assignment question and a class plan that includes questions that serve as guidelines when answering the main assignment question.

The following analysis can be interpreted in different ways and does not aim at being the only possibility when preparing the case study. Furthermore, instructors can adapt their approach to the case study and include different inputs, while addressing new and different issues according to the subject of the course where the case study will be used.

1. Case Summary

With more than 40 years of experience, Procalçado is a Portuguese leading soles producer and a specialized company in the production of footwear components. The company has been investing in new machines and high-technology processes in the last years, having started to specialize in injected plastic methods. Gradually, Procalçado became vertical integrated, and by 2008 it already owned a complete line of footwear production, leading to the creation of a brand of shoes for the professional sector, Wock, all made of injected plastic and based on innovative processes.

In 2013, Procalçado's team decided to follow a dream that existed in the company for many years, which was to create a medium to high-end fashion brand of plastic injected footwear. After an investment of 5 million euros, testing new processes and creating molds, the brand Lemon Jelly was born, already with an international target. The brand is now present in 20 markets and achieved 3 million euros in sales in 2015.

Lemon Jelly's shoes are considered to be fashionable, innovative, waterproof and they smell like lemon. The brand is based on values such as design, comfort, durability, and is also represented by joy, young spirit and fun, since the company believes that the shopping experience should touch people's senses. Lemon Jelly's products are sold at a price between 60 and 180€, and include plastic

shoes, boots, sandals, ballerinas and bags that are mainly addressed to urban and independent women, from 25 to 40 years-old that identify themselves with color and fashion.

80% of Lemon Jelly's total sales are made cross border, mainly recurring to distributors and retailers. The brand is mostly being sold through multi-brand physical stores, Lemon Jelly's official website and a few e-marketplaces, such as Amazon. The website represents 5 to 10% of total sales, while in Amazon, sales are being threatened by the existing competition of Lemon Jelly's distributors. In order to achieve success, Lemon Jelly needs to gain visibility and recognition, especially in Europe.

In terms of promotion, the brand is mostly active on Facebook, Instagram and Pinterest, where it regularly publishes news, products and marketing campaigns. Lemon Jelly tries to be present in the most important footwear fairs in the world and is also being noticed in magazines, newspapers and blogs.

For Nuno Leite, e-commerce manager of Lemon Jelly, the brand's online share of sales still has space for improvement and there is still a lot to do in order to increase the brand's visibility and awareness on the internet. The solution can maybe pass by improving the brand's website, by changing its presence in e-marketplaces, or even by modifying its online marketing strategy.

2. Learning Objectives

This case illustrates the online strategy of a Portuguese plastic footwear brand, Lemon Jelly, and aims at reflecting what improvements can be made in order to increase its online sales. The case issues are focused on the strategy followed in online channels and on social media efforts.

The main objectives of this case study are:
- To understand the importance of e-commerce to retailing;
- To analyze the online positioning of Lemon Jelly according to its competitors;
- To analyze and reflect about what improvements can be made in the strategy of the brand in online channels;
- To recommend what strategy should Lemon Jelly follow in e-marketplaces;
- To assess what developments the brand can do in terms of online marketing.

The case study can be taught in marketing and strategy courses (such as Strategic Marketing, Marketing Communication or Digital Marketing), either for Undergraduate and Master students.

3. Suggested Assignment Question

The following question has the main objective of helping students to prepare their analysis before class discussion. Therefore, it should be used as a tool to support the reflection about the present situation of the case study and to identify the main issues and problems to be addressed.

- **What can Lemon Jelly do to increase its online sales?**

4. Class Plan

This class plan includes a suggestion on the issues that can be analyzed in class and aims at helping the instructor on what are the concepts and subjects related to each issue. The following questions can be adapted and discussion can follow different directions.

1. Reflect about Lemon Jelly's online performance. What do you recommend to be improved in the brand's overall online selling strategy?

2. Entering new e-marketplaces can be threatened by the presence of distributors selling the brand's products. What do you propose to surpass this?

3. What improvements can Lemon Jelly make on its social media strategy?

5. Analysis

5.1. Reflect about Lemon Jelly's online performance. What do you recommend to be improved in the brand's overall online selling strategy?

5.1.1. E-commerce Penetration

The online success of a brand can be mainly measured by online sales. In order to analyze Lemon Jelly's online performance, we first need to compare the brand with its competitors and other players in the industry. In central and eastern Europe, and according to Figure 3, retail e-commerce sales account for 2,8% of total retail sales, while in western Europe it accounts for 7,3%. Considering that Lemon Jelly's online sales are worth 5 to 10% of the brand's total sales, one can assume that these results are within average. However, the graph takes into account several retailing sectors, and since clothing and footwear is the most popular category within online European consumers, we should also analyze the e-commerce penetration in other brands. Looking at the case study's exhibits, we can see that the online share of sales of other brands can vary from low to high percentages, either they are in the clothing and footwear sector or not, meaning that there is still space for Lemon Jelly to grow.

5.1.2. Online Channels

The brand is currently selling in two online channels: the brand's website and e-marketplaces. Generally speaking, the brand's online sales can be increased by attracting new customers, increasing the number of re-purchases and having higher average order volumes. We should therefore try to understand what factors can contribute for this growth, and what factors can be inhibitors of e-commerce sales, also comparing with the strategies that competitors and other players are following.

- Website

There are four main factors that can impact a brand's online strategy: its degree of interactivity, diversity of information, playfulness and design quality. After analyzing Exhibit 8, we can sum up some website strategies and features that Lemon Jelly is not embracing, in a table.

Figure 8. Benchmarking with other players' online behaviour

	Benchmarking with other players
Interactivity	Online Chat
	Press Releases
	Website Feedback
Information	Size Guide
	Client Reviews
	Search Box
	Shipping/Delivery Information Section
	Different Currencies
	Information about distributors
Playfulness	Customization
	Mobile App
Design	-
Others	Free Shipping
	Free Returns

Looking at the table, one can see that the main areas for improvement of Lemon Jelly's website are the level of information provided to consumers, followed by the level of interactivity. One of the main drawbacks of shopping online are the lack of communication and physical contact, as well as customer insecurity. With this in mind, by adopting some of the above features, the brand could help reducing these downsides and impact online sales in a positive way. Additionally, these features could help to surpass some website issues, such as shopping cart abandonment. The fact that Lemon Jelly does not show the prices in different currencies might also be an inhibitor of purchases, as well as the shipping fees added to the final price. Furthermore, including a live chat option and client reviews could lower the concerns about payment security, as well as adding a clearer shipping and delivery information section, avoiding customers to face unexpected costs.

There are other common factors to the other players that Lemon Jelly could also think about, such as providing free shipping (the most common) and/or free returns. This feature is usually available for orders over a certain amount, which could be a good strategy for the brand since its shipping charges are above average. When we look at the shipping fees practiced by some of Lemon Jelly's competitors, we can see that the brand is the only one that does not provide free shipping, at least for orders over a certain amount. While a shipping fee of 3,95€ for Portugal does not seem to be

very determinant, an Indian consumer would find it unsustainable to pay a fee that is higher than the cost of the product itself.

In an attempt to increase the average order size, the brand can also promote quantity discounts or even up and cross-selling strategies. These strategies are an attempt to convince customers who are about to buy a product, or who have just bought one, to purchase a better item or a best seller, or even a complementary product, respectively.

It is also important for Lemon Jelly to regularly update its website, which is essential for customers who come back regularly, as well as add customization possibilities, since customers like to make their own versions of the products.

Providing a good service is also a positive indicator for re-purchases. For instance, in the case of complaints, it is important to give a good explanation and provide a positive experience when solving the problem.

There are other tools that Lemon Jelly can use to improve its website's sales, such as organic search engine optimization, for the brand to have a higher ranking in the results that appear in search engines, and therefore have a higher probability of increasing traffic in the website. Paid search is another strategy that as the same objective as the latter, however it involves a cost.

It is also important for the brand to monitor some metrics and visitor statistics, such as time on site, traffic or conversion rates (which is the part of the website's visitors that actually buy a product). This will allow the brand to adapt its strategy to different customers and understand their needs and behavior, as well as analyze if their improvements are actually having an impact on sales.

- E-marketplaces

Because online consumers spend a lot of time searching for information about the products, it is also important to be present in different online channels, such as e-marketplaces. When comparing to the strategy of other Lemon Jelly's competitors in this field, we can see that most brands are present in Amazon, Zalando and La Redoute, and so is Lemon Jelly. Since the e-commerce manager of the brand is looking to increase its share in the top e-commerce markets (Germany, UK and France), it should also be advised to enter their top e-marketplaces.

While making this decision, Lemon Jelly should first make sure its internal needs are aligned with the e-marketplace characteristics, for example, an auction marketplace like eBay would not fit as

well with the brand's business as an apparel specialized e-marketplace would. An e-marketplace that best supports the brand's motivation, would probably be a prosperous one, with a lot of active customers and a reasonable volume of sales. Additionally, a fashion or apparel specialized e-marketplace, such as Asos or Otto, would also meet the desired customers. Although these are expected to have less traffic, there is a higher probability of matching the brand's target. Said this, Lemon Jelly should analyze the e-marketplaces that are able to add value to the brand and that have a satisfactory level of popularity and number of transactions. In the end, the brand should not forget to analyze the customers' perception of the e-marketplace and more importantly, its financial charges and transaction mechanisms. We can generally analyze the e-marketplaces where Lemon Jelly is not present and evaluate their attractiveness:

Figure 9. Evaluation of e-marketplaces attractiveness

	Sales	Active customers	Threat of Competitors	Target Customers
Otto	+++	++	+++	++
Asos	+	++	+	+++
Groupon	++	+++	+++	+
Cdiscount	+	++	+++	+

As said in the case study, Lemon Jelly's sales in Amazon are very small. This can also be related to the fact that existing customers prefer to buy through the brand's website, and that Amazon joins many similar retailers, increasing the probability of the consumer to choose a certain brand over another. In an attempt to surpass this, the brand could offer different advantages to e-marketplace customers, such as discounts in future purchases. Providing a good service is also important in order to get good reviews in the channel, as this will lower customers' security issues.

In conclusion, Lemon Jelly's selling strategy in online channels is not as different as the one from its competitors. Some of them have the advantage of owning physical stores, which can bring them the benefit of integrating their channels, allowing the customer to order online and pick up the product in the store, for example. Given the dimension of the brand, new technological features such as mobile commerce apps do not seem to be determinant on its online positioning, however a mobile friendly website is essential. Lemon Jelly should always be aware of where its potential customers are and what they want, and provide them the best service possible in order to differentiate and increase the chance of returning customers. By integrating some of these

suggestions, the brand will be able to improve its approach to the online market, not forgetting to always monitor the results and adapting to the changing consumers.

5.2. Entering new e-marketplaces can be threatened by the presence of distributors selling the brand's products. What do you propose to surpass this?

Online marketplaces can have many advantages for brands as these are exposed to millions of users, however there are also a lot of sellers. One of the drawbacks of selling in e-marketplaces is finding vertical channel conflicts that happen when there are conflicts between entities in different levels of the distribution channel. In this case, Lemon Jelly's distributors are selling in Amazon, entering in competition with Procalçado. This might occur because there are ambiguous roles, lack of communication or different perceptions in their agreement.

The only way to solve this threat, would be for Procalçado to define clear roles when making the arrangement with other parts, not allowing them to sell in e-marketplaces. However, if the brand does not want to follow such a strict rule, as they also contribute for increasing brand awareness, it can adopt some of the following measures to attenuate the existing competition in Amazon and other e-marketplaces.

5.2.1. Differentiation

Differentiating is a key solution to stand out from the crowd in this kind of channels. Indeed, there are millions of merchants selling similar products and using similar strategies, so consumers do not care about buying from specific sellers, but about the products. Lemon Jelly needs to be different in order to get consumers' attention and, although e-marketplaces are somewhat restrictive with the website customization, there are many strategies that the brand can adopt. Having high quality photos is necessary, otherwise consumers will perceive that the product has a bad quality. Lemon Jelly also needs to provide relevant and detailed information about the product characteristics, delivery and return policies, and security and payment details, in order to increase consumers' trust in the seller. It is also necessary to be responsive to consumers' doubts and provide them an effective customer service. The information and service provided needs to be consistent across all channels where Lemon Jelly is selling, also transmitting a simple and unique brand image. Besides

these measures that seek to increase consumers' awareness, loyalty and affiliate promotions and discounts can be used to attract new loyal customers.

As said in the first question, another alternative can be for the brand to focus its efforts in other e-marketplaces where there is no competition, and where the brand can build a reputation and succeed if other brand's distributors appear.

Additionally, either in Amazon or other channel, the brand needs to be consistent and synchronize its inventory levels and order fulfillments. In the best case, these and the other strategies mentioned before will lead to positive customer reviews, which is one of the most important factors for customers when deciding for a product in an e-marketplace.

5.3. What improvements can Lemon Jelly make on its social media strategy?

As said in the case, Lemon Jelly's social media strategy is mainly based on social networks. Although the number of followers in these networks might work as an indicator of the popularity of the brand, it does not say if the brand's social media strategy is being successful or not. If it is, it will be translated in higher traffic, a higher conversion rate, and therefore higher sales. However, we can compare Lemon Jelly's social media efforts with some of its competitors.

5.3.1. Social Networking Sites

We can see that Lemon Jelly's presence on social networks is already complete to a certain extent since it has brand pages in Facebook, Instagram, Twitter, Pinterest and YouTube. However, when we compare the brand's popularity, measured by the number of followers or subscribers, we can see that Lemon Jelly still does not have a considerable dimension on social networking sites. If we look at smaller competitors, such as Be Only and Bogs, we can see that despite they have a higher sales volume, their popularity is lower, leading us once more to the conclusion that this is not a 100% reliable indicator. Yet, if Lemon Jelly gets more followers or subscribers in its brand communities, it means that more people will have contact with the brand's website, leading to more potential sales.

Overall, the brand's message in social networks should transmit trust to consumers, giving them sufficient information to know more about the brand and create emotional affection, which can

also be achieved through an interactive communication. According to the case study, this is already being done, however there are other actions that the brand can adopt to enhance brand awareness, target customers and engage them.

- Make regular posts;
- Publish different types of content (in order to catch its followers' attention);
- Publish visual elements, such as images and videos of the product (since we are talking about a fashion footwear brand);
- Share online customer reviews and other user generated content;
- Use hashtags to expand the reach of the posts;
- Be fast at answering people's messages and doubts.

One of the main objectives of Lemon Jelly's social media strategy should be to generate electronic word-of-mouth, a phenomenon that is valued by most consumers and can have a big influence on sales. However, the brand should not only focus on sales promotion, but also on customer research. Through social media sites, Lemon Jelly can learn more about its consumers' behavior and get feedback about different issues, being also aware of their opinions through reviews and ratings.

5.3.1. Other Social Media Strategies

In the end, and not focusing only on social networks, the brand should combine social media with other online marketing strategies. Indeed, there are other activities that the brand can do to engage consumers, such as promotions, which according to the case study are already being made. When it comes to this, Lemon Jelly should provide limited time promotions, such as promotions that only last one day, for instance. Customers will feel a sense of urgency, so they will probably be more receptive. This also works for special offers for the brand's followers, as consumers like to feel exclusive, and promotions for specific seasons and festivities. Free giveaways and contests, which require followers to share some type of content in the internet, are also a great opportunity to reach new consumers and increase the website traffic.

The brand can also focus on online influencers, which are people that have the ability to spread the brand through the internet and enhance others' trust, such as famous people or bloggers, for example. In fact, by focusing on online influencers, more people will get to know the brand.

Additionally, if others would see online influencers using a Lemon Jelly's pair, it would transmit them the product's benefits more easily, and therefore increase their receptiveness to buy.

There are other means to increase the brand's awareness and customers' engagement over the internet, such as e-mailing lists. The brand is already sending newsletters however, when possible, it is important to send personalized content for specific customers. Sharing affiliate programs through this channel can also be a good strategy, as well as following up customers by e-mail after they buy a product, or even just after they create an account. Campaigns directed to certain customers can also be an effective idea, e.g. offering a discount for customers with an account for more than a year.

Another factor that can generate more visits to Lemon Jelly's website is search engine optimization which, as it was said in the first question, is achieved when the brand appears in the top places in search engine results. This can be accomplished by following some strategies, such as using online keywords, however there is also the possibility for the brand to pay for it. If this happens, the brand can measure its effectiveness by the cost per click, which is the overall cost of the paid search over the number of clicks in the brand's advertisements and search engine results.
More recently, social networks also give this opportunity to brands, sponsoring and promoting their content in the exchange of a cost, which might compensate if the brand is not getting the attention it needs in this channel.

As final suggestion, Lemon Jelly should play an interactive role through all the social networking sites that it is in. Although other players are present in Google+, it does not mean that the brand should also be. Sometimes it is more important for the brand to focus on a few social networks, be active, and target those channels in the best way, than to be present in many sites and not having an impact on customers and sales. In the end, the most important is to create electronic word-of-mouth and make people talking about the brand, either for seeing a famous blogger wearing a Lemon Jelly pair of shoes, or because there is an online contest that they want to enter. Additionally to these actions and suggestions, the brand should also focus on specific metrics and statistics in order to know if the strategies are really working. It is necessary to adapt to the changes in these variables, as well as having a defined plan with the main goals of the brand in terms of social media, and commit to achieving them.

6. Conclusion and Final Recommendations

As concluded in the previous questions, the relative online performance of Lemon Jelly is not as different as the one from its competitors and other players in other industries. In fact, having a 5 to 10% share of e-commerce sales is within the e-commerce share average. However, the sector where Lemon Jelly is operating, footwear, along with clothing, constitutes the most popular among online buyers and is the one with the highest e-commerce shares, some even above 20%. This means that it is not impossible for Lemon Jelly to increase its online sales.
In order to do this, the brand needs to increase brand awareness and gain new customers, while maintaining the existing ones, through customer loyalty. If customers' orders are bigger, sales will also increase.

Therefore, Lemon Jelly should be consistent in all the online channels it is present and provide the best service possible to clients, orienting its efforts to decreasing consumers' fear and insecurity on buying online. The strategy that the brand can follow should integrate the website, e-marketplaces and social media tools, where it needs to be interactive and provide the necessary information for consumers to know the brand. The point of using online marketing tools is to get the attention of potential consumers, which will become active customers if the brand's changes in the website and e-marketplaces are effective.

There is not an ideal strategy that will certainly lead to the increase of Lemon Jelly's online sales, however by closely monitoring its website variables and metrics, as well as the consumers' behavior on social networks, for instance, the brand can track what measures work best and adapt according to the changes. It is also important to analyze what competitors are doing, as well as other players that sell online.

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