

**PONTIFICIA UNIVERSIDAD CATÓLICA DEL PERÚ  
ESCUELA DE POSGRADO**



**Consulting Report – Servicios Delivery EIRL**

**TESIS PARA OBTENER EL GRADO ACADÉMICO DE MAESTRO  
EN ADMINISTRACIÓN ESTRATÉGICA DE EMPRESAS POR  
LA PONTIFICIA UNIVERSIDAD CATÓLICA DEL PERÚ  
PRESENTADA POR**

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**TESIS PARA OBTENER EL GRADO ACADÉMICO DE MAESTRO  
EN ADMINISTRACIÓN DE NEGOCIOS POR LA  
PONTIFICIA UNIVERSIDAD CATÓLICA DEL PERÚ  
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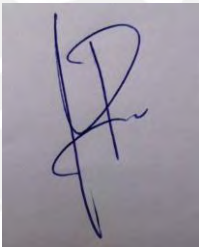
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Leonie Middelberg

First and foremost, I want to express my deep appreciation to God for providing me with the gift of life, wisdom, and determination that has enabled me to embark on this educational path and ultimately complete it satisfactorily. I am also indebted to my family for their unwavering support throughout my life, their continuous encouragement, love, and belief in my abilities have been the bedrock upon which I have built my academic and personal accomplishments. Also, I want to thank CENTRUM and its dedicated professors, in particular Professor Sandro Sanchez, because their commitment to delivering high-quality education has been instrumental in shaping my academic growth and preparing me for the challenges that lie ahead. I want to thank Victor Florián, for his significant contributions and collaboration during this project as the owner of shoes.pe. Furthermore, I want to express my sincere gratitude to my colleagues, Leonie Middelberg and Ying Luo, who have been exceptional partners in this academic journey.

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Ying Luo



## **Dedications**

This report is dedicated to the resilient local footwear producers of El Porvenir, who, with their dedication to their craft and their readiness to embrace digital transformation, are a source of inspiration. I also extend this dedication to the countless small businesses that form the backbone of the Peruvian economy, acknowledging their determination to adapt and thrive in an ever-changing digital landscape. Additionally, I dedicate this report to companies like Servicios Delivery EIRL and others who share the goal of having a positive social impact like bridging the digital gap and enhancing the sustained competitiveness of local producers. The world needs more entrepreneurs like this.

Leonie Middelberg

To God, who guides and strengthens me every day. To my parents for their infinite love, and for having been an example of effort, dedication, and perseverance. To honor the resilient rural Peruvian entrepreneurs whose relentless pursuit of ongoing improvement serves as an enduring testament to the values of dedication and tenacity.

Oscar Suarez Santa

Cruz This report is dedicated to countless small and medium-sized businesses around the world, like El Porvenir, who are willing to embrace digital trends and help their local communities. While our report may still have many shortcomings, we hope it can provide you with some small assistance. At the same time, this report is also dedicated to my future self. I hope that in the face of future challenges, I can look back at this youthful report. It symbolizes that you have overcome numerous obstacles, truly solved problems, and helped others. May it bring you courage and confidence.

Ying Luo

## **Abstract**

This consulting report offers a comprehensive analysis and strategic recommendations for shoes.pe, an emerging online marketplace for local footwear producers in El Porvenir,

Trujillo, Peru. First, the organization and its operational context are introduced, paving the way for a deeper exploration of the key problem afterward. By doing so, the report identifies the core challenge of convincing local footwear producers to sell online through shoes.pe.

Next, a thorough literature review is conducted, including seven different related topic areas from established research and industry insights to provide a solid foundation for the following exploration. It is succeeded by a qualitative and quantitative methodology employed to conduct an in-depth analysis of the problem, evaluating not only interviews with the company owner as well as insights from a survey among local footwear producers but also literature and other quantitative data. A comprehensive root-cause examination is followed with an identification of the main causes – culture, technology, and resource constraints.

Consequently, solution alternatives are developed and carefully evaluated highlighting four solutions to be the most viable ones – Easy Process Design and Shipping Support, Start with Strategic Producers and Showcase Success, Live training for Technology Usage and Quick Wins with Guaranteed Sales Minimum. Accordingly, a detailed implementation plan for each solution is developed outlining key success factors. In addition, to measure the success of bridging digital gaps and enhancing local producers' competitiveness, expected outcomes including key performance indicators are presented. Finally, this report provides actionable recommendations to drive shoes.pe's growth and digital empowerment within the local footwear industry.

### **Resumen Ejecutivo**

Este informe de consultoría ofrece un análisis exhaustivo y recomendaciones estratégicas para shoes.pe, un mercado en línea emergente para productores locales de calzado en El Porvenir, Trujillo, Perú. En primer lugar, se presenta la organización y su contexto operativo, allanando el camino para profundizar posteriormente en el problema

clave. Identificando de este modo el reto principal que consiste en convencer a los productores locales de calzado para que vendan en línea a través de shoes.pe.

A continuación, se lleva a cabo una revisión exhaustiva de la bibliografía, que incluye siete áreas temáticas diferentes relacionadas con la investigación establecida y las perspectivas de la industria para proporcionar una base sólida para la siguiente exploración. Seguidamente, se emplean metodologías cualitativas y cuantitativas para realizar un análisis en profundidad del problema, evaluando no sólo las entrevistas con el propietario de la empresa y los resultados de una encuesta realizada entre los productores locales de calzado, sino también bibliografía y otros datos cuantitativos. Posteriormente, es llevado a cabo un examen exhaustivo de las causas profundas y son identificadas las principales: cultura, tecnología y limitación de recursos.

En consecuencia, se desarrollan alternativas de solución y se evalúan cuidadosamente en función de criterios predefinidos. Este análisis pone de manifiesto que cuatro soluciones son las más viables: diseño de procesos sencillos y apoyo con los envíos, inicio con productores estratégicos y demostración de éxito, y capacitación presencial para el uso de la tecnología y ganancias rápidas con un mínimo de ventas garantizado. Seguidamente, es elaborado un plan de implantación detallado para cada solución en el que se esbozan los factores clave del éxito. Asimismo, para medir el logro de la reducción de las brechas digitales y la mejora de la competitividad de los productores locales, se presentan los resultados esperados, incluidos los indicadores clave de rendimiento. Finalmente, este

informe ofrece recomendaciones prácticas para impulsar el crecimiento de shoes.pe y la capacitación digital dentro de la industria local del calzado.





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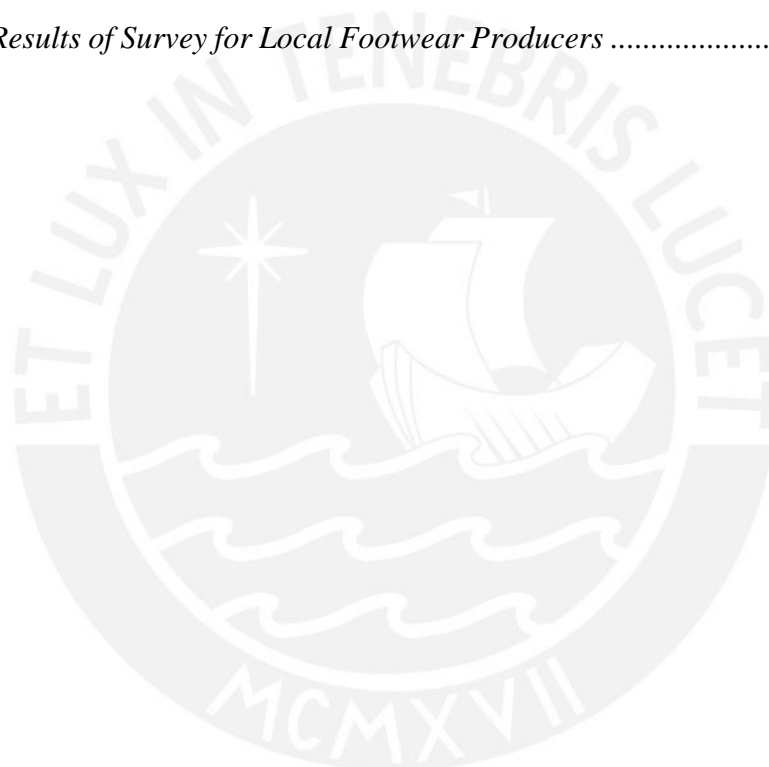
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## **Chapter I: General Situation of the Organization**

This chapter provides a comprehensive overview of the organization, including its background, industry analysis using Porter's Five Forces, external analysis (PESTE) focusing on opportunities and threats, and internal analysis (AMOFHIT) highlighting strengths and weaknesses. The chapter concludes with synthesized findings, setting the stage for further analysis in the subsequent chapters.

### **1.1 Presentation of the Organization**

In the following part, the company Servicios Delivery EIRL will be described mainly based on personal semi-structured online communication with the founder Victor Florián in which he explained the previous development of the company and the current challenges.

Servicios Delivery EIRL, as the legal entity is officially called, has been founded in 2018 by Victor Hugo Florián Paredes as a microenterprise, so called MYPE (Superintendencia Nacional de Aduanas y de Administración Tributaria, n.d.). Since then, the company operates under the business name MiMercado.Delivery in Trujillo, Peru with the idea of offering a digital sales channel for the more than 2,300 local merchants and farmers that are located in the area. These local merchants do not use websites or an ERP system for their businesses, hence, MiMercado.Delivery saw the opportunity to take advantage of this digital gap by establishing a drop-shipping model. The company offers the local products online for a higher price than how they can be bought at the local market (V. Florián, personal communication, July 11, 2023).

The company started with drop-shipping fruits and vegetables in 2018 using WhatsApp, calls or other messenger applications for the ordering process. The business model worked well, however, the demand for fruits and vegetables and hence, the cart size has been limited. Consequently, MiMercado.Delivery extended their product portfolio in

2020 by adding groceries, liquor, and pet supplies. Today, the company cooperates with 48 local merchants and employs eight delivery drivers who fulfill the incoming orders including delivery within 30 min (V. Florián, personal communication, July 11, 2023).

### **Figure 1**

*Logo MiMercado.Delivery*



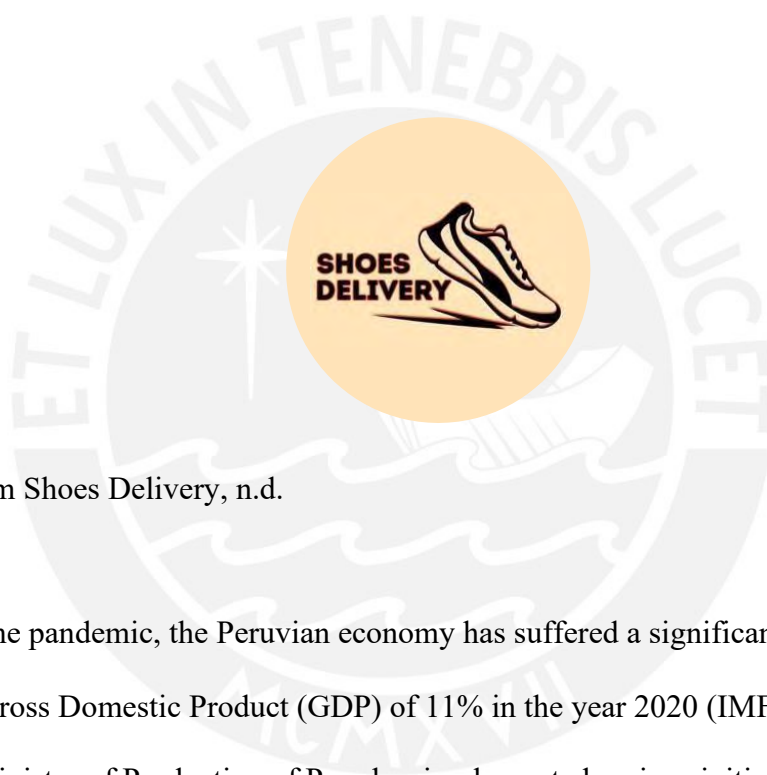
*Note.* Taken from MiMercado.Delivery, n.d.

As the drop-shipping model is working well for groceries and other supplies already, the founder of MiMercado.Delivery had the idea to use the same concept for other product categories as well (V. Florián, personal communication, July 11, 2023). With El Porvenir, a district of Trujillo, being the main area of footwear production in Peru, the idea of entering the footwear business has been obvious. El Porvenir is home to 3,000 MYPEs and 2,000 informal footwear producers (“Baja la producción”, 2014) with the majority only selling offline and not servicing any online distribution channels. Victor Florián and his team developed the goal of helping the local footwear producers to increase their sales and reach by building up a website to register different local footwear producers for online sales. Hence, they founded shoes.pe, the commercial name for the initiative which is registered under the legal entity Servicios Delivery EIRL as well. The source of revenue will be the same as for MiMercado.Delivery – the company will sell the shoes online for a higher price than the price that the local manufacturers offer. To convince with an outstanding customer

experience, shoes.pe has the plan to integrate an augmented reality (AR) feature into the website allowing customers to check their size as well as fit before buying shoes online (V. Florián, personal communication, July 11, 2023). The shoes.pe initiative and especially the development of the AR feature gets funded by CITEccal Trujillo, a governmental organization that aims to support local footwear producers by setting up an online marketplace (CITEccal, n.d.).

## Figure 2

*Logo shoes.pe*



*Note.* Taken from Shoes Delivery, n.d.

During the pandemic, the Peruvian economy has suffered a significant contraction, with a drop in Gross Domestic Product (GDP) of 11% in the year 2020 (IMF, 2023a). However, the Ministry of Production of Peru has implemented various initiatives to promote the digital transformation of companies in the country. One of these initiatives is ProInnovate Perú, whose objective of promoting innovation and entrepreneurship through financing and technical advice to technological projects. In this sense, digital diagnostics have been developed to assess the level of digitization of Peruvian companies and provide recommendations for their improvement. These diagnoses, carried out by experts in digital transformation, allow companies to identify possible digital gaps and define strategies to improve the online presence and competitiveness in the market (Servicios Delivery EIRL,

2023).

Until now, a budget of 45,000 Soles has been provided to develop the AR functionality for shoes.pe. However, the hardest challenge will probably be to convince the manufactures of the benefits and to join the marketplace. Once they decided to register their shoes, they can come to the shoes.pe office and the staff will handle the administrative work including taking 3D pictures and uploading all details to the website. If a person then buys shoes online, the producer will receive all necessary information concerning the order and will be responsible of shipping the shoes via last-mile delivery (V. Florián, personal communication, July 11, 2023).

Now the company is in the middle of the project currently setting up the website and establishing connections with the footwear producers.

## **1.2 Industry Analysis (Porter's Five Forces)**

The global footwear e-commerce industry is witnessing rapid growth, with projected revenues of US\$93.59 billion in 2023 and an annual growth rate of 7.78% (CAGR 2023-2027). By 2027, the number of users is expected to reach 3.00 billion, with an average revenue per user of US\$40.60 (Footwear – Worldwide, n.d.). But not only the global footwear market is growing, so is the Peruvian one (Footwear – Peru, n.d.). This flourishing market presents significant opportunities for businesses worldwide. In the following part, the specifics of the industry will be analyzed using Porter's Five Forcers.

**Threat of new entrants:** The threat of new entrants in the footwear e-commerce market is relatively low. The high start-up costs and the need to establish a reputation and customer base act as significant barriers for potential newcomers. Furthermore, local footwear producers are likely to remain loyal to their existing partners, creating a challenge for new entrants to compete. The company's strategic advantages, such as a website with augmented reality features, strong partnerships with local producers, and a last-mile delivery

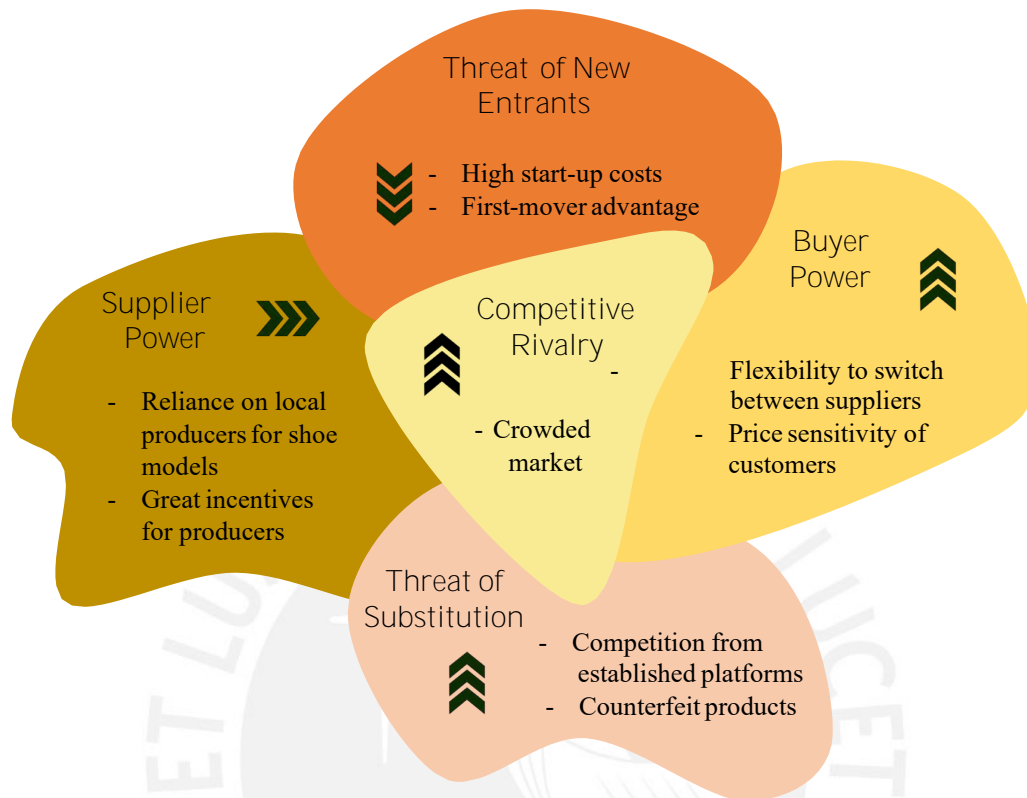
service, require expertise, resources, and in-depth local market knowledge. Additionally, the shoes.pe's first-mover advantage in targeting Trujillo's local footwear producers and tailoring an online platform to their specific needs including AR makes it difficult for new entrants to replicate their offering swiftly (Holt, 2022). Overall, these factors contribute to the relatively low threat of new competitors disrupting the company's position in the market.

**Threat of substitutes:** The threat of substitutes poses a significant challenge to the company's position in the footwear e-commerce market. Not only does it face competition from other established e-commerce platforms (CITEccal, n.d.b), but traditional in-store sales also present a formidable alternative. To tackle this threat, shoes.pe must focus on creating a unique and differentiated online shopping experience that is hard to imitate. Leveraging innovative technologies like AR can be a key differentiating factor, providing customers with an immersive and personalized shopping journey. Furthermore, the growing concern of counterfeit products in the footwear industry also poses a considerable threat (Machado et al., 2018), and shoes.pe should implement robust measures to address this issue to ensure sustained growth in the market.

**Buyer power:** The bargaining power of buyers in the footwear e-commerce market is high. With numerous local footwear producers available, buyers have the flexibility to easily switch between suppliers, giving them an advantage in negotiations. Moreover, the price sensitivity of customers adds further pressure on the margins of the online marketplace (Aranda, 2023). However, shoes.pe can mitigate this high buyer power by offering a unique augmented reality feature and a seamless online shopping experience, setting itself apart from traditional brick-and-mortar and other online stores. By providing convenience, accessibility, and a broader selection of local footwear options, the website can attract buyers and potentially reduce their bargaining power, creating a loyal customer base in the process.

Supplier power: The supplier power in the footwear e-commerce market can be described as a combination of medium and low. On one hand, the reliance on local footwear producers for shoe models gives them some influence over pricing, product availability, and quality, suggesting a medium level of supplier power. Establishing strong relationships and offering compelling benefits can help establishing a good relationship (Ganguly & Roy, 2021). However, the limited awareness of online selling and the potential to reach a broader customer base may incentivize producers to collaborate with the company, which leans toward lower supplier power. Additionally, factors such as no high product differentiation, a low proportion of total products sourced from each supplier, and the presence of many substitutes per individual footwear producer contribute to the lower supplier power. Nonetheless, the high cost of switching providers due to the effort and work required for product information introduction into the system indicates a medium level of supplier power. Overall, shoes.pe should carefully assess the dynamics with each supplier individually to effectively manage their influence and maintain a balanced relationship.

Competitive rivalry: The competitive rivalry in the footwear e-commerce market is high, with multiple players, like Perú Marketplace, Perú Imparable, Mercado Ripley, Mercado Libre, Falabella, or Juntoz (CITEccal, n.d.b), vying for market share. Established competitors pose a risk of offering superior online shopping experiences, potentially impacting differentiation, and shoes.pe's position in the market. While none of the online footwear marketplaces except for Falabella hold a dominant market share, the presence of numerous competitors intensifies the competition (Footwear – Peru, n.d.). Firms are compelled to compete on various fronts, including price, product selection, and customer service, in order to gain a competitive edge. This high level of rivalry underscores the importance of continuous innovation and customer-centric strategies to stand out in the crowded market and secure a sustainable position in the fiercely competitive landscape.

**Figure 3***Porter's Five Forces***1.3 External Analysis (PESTE) – Opportunities and Threats**

Political: The stability of the political landscape influences business ease, taxation, and regulations. The government's policies supporting Micro and Small Businesses (MYPES), particularly in the footwear sector, create opportunities for local producers and other business. Initiatives like "Purchases from MYPERú" and PAE-Mype offer financial support to affected industries ("Destinarán S/ 146 millones", 2021). Additionally, policies like the National Policy of Competitiveness aim to boost industry competitiveness (Gobierno del Perú, 2019). Furthermore, government organizations, such as CITEccal Trujillo and Pro Innóvate Perú, actively support and fund projects within the footwear sector, providing potential collaboration opportunities for e-commerce platforms that shoes.pe explored

already (Pro Innóvate, n.d.; Instituto Tecnológico de la Producción, 2022). Staying informed about these policies can help leverage available resources for sustainable growth.

**Economical:** The overall economic growth of the country and the purchasing power of consumers in the region play a crucial role in influencing the demand for footwear and online shopping. Stable inflation rates are vital for maintaining the purchasing power of consumers and ensuring reasonable prices for footwear products and raw materials required for production (IMF, 2023b). Additionally, economic conditions post-pandemic have posed challenges for the business landscape, with a significant number of Micro and Small Businesses (MYPES) facing closure or transitioning to informal operations. This has resulted in reduced capacity and limited support for the national market (“Vladimir Roca”, 2023). As the economic situation continues to evolve, shoes.pe must remain adaptive to changes in consumer spending habits and market conditions to thrive in this dynamic landscape.

**Sociocultural:** Understanding and catering to the local consumer preferences, fashion trends, and their inclination towards online shopping are critical elements for success. By tailoring the website's design, product offerings, and marketing strategies to resonate with local preferences, the platform can create a more engaging and satisfying shopping experience for customers. Additionally, educating and raising awareness among local footwear producers about the benefits of selling online is essential to expand the platform's product range and boost overall market appeal. While Peru's below-average position in international technology adoption indices presents some challenges, it also offers untapped potential for platforms willing to invest in and overcome these barriers, positioning themselves for long-term success in the dynamic market (ComexPerú, 2021).

**Technological:** Technological factors are reshaping the footwear industry, particularly with the growing prominence of e-commerce. Projections indicate that online sales could make up 45% of total footwear sales by 2025, prompting companies to leverage Artificial



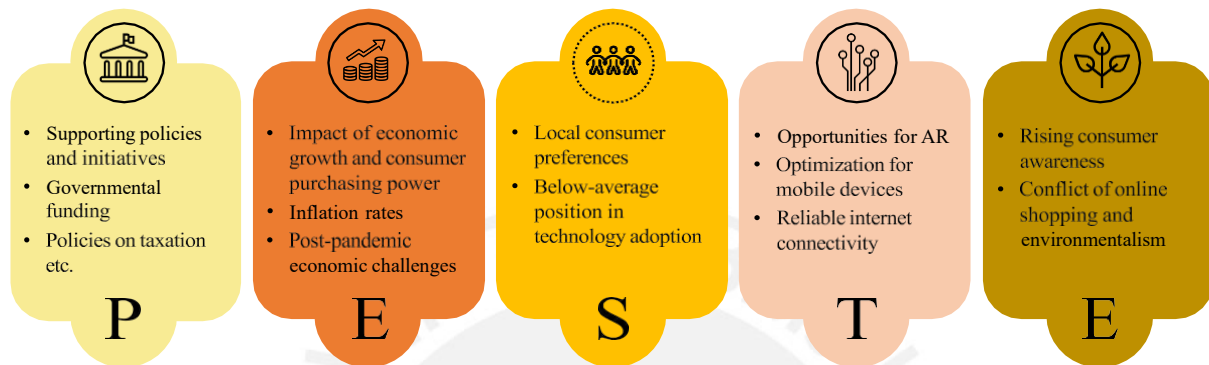
Intelligence (AI) for a competitive advantage in this rapidly evolving market (“The Raising Trend”, n.d.). Integrating Augmented Reality (AR) technology will be crucial in offering a compelling online shopping experience. Shoes.pe should ensure that 3D pictures and augmented reality features on the website are user-friendly and widely accessible to maximize their impact. Additionally, the availability and quality of mobile networks and internet infrastructure will play a vital role in facilitating seamless website access and online transactions. Optimizing the platform for mobile devices and ensuring reliable internet connectivity for users will be essential in staying ahead in this tech-savvy environment. Peru's familiarity with augmented reality, virtual reality, and other emerging technologies suggests potential for the company to capitalize on this technological prowess for sustainable growth (“Perú entre los países”, 2022).

Environmental: Environmental factors are becoming increasingly crucial in the footwear industry, driven by rising consumer awareness and concerns about sustainability. The demand for eco-friendly and ethically sourced footwear is on the rise, prompting companies to consider offering environmentally friendly options to cater to this conscious consumer segment. Emphasizing sustainable practices and partnering with local producers who prioritize eco-friendly materials and manufacturing processes can enhance the company's reputation and attractiveness to environmentally conscious customers. However, it is essential to recognize that ordering products online might not always align with sustainability goals due to shipping-related environmental impacts (Escursell et al., 2021). To mitigate this, shoes.pe can focus on shortening delivery distances, adopting eco-friendly packaging practices, and exploring other environmentally responsible shipping methods to minimize its carbon footprint. By addressing environmental concerns proactively, shoes.pe can position itself as a responsible and environmentally friendly footwear e-commerce

platform, meeting the demands of conscious consumers while contributing to a more sustainable future.

**Figure 4**

*PESTE Analysis*



## 1.4 Internal Analysis (AMOFHIT) – Strengths and Weaknesses

### 1.4.1 Administration and Management

The company's Administration and Management section exhibits an uncomplex organizational structure led by Victor Florián, General Manager. This structure supports efficient decision-making, coordination, and communication between a few different departments. The key points regarding the Administration and Management are as follows:

**General Manager:** He has extensive and diverse experience in personnel management and the development of start-ups, private ventures, social enterprises, and inclusive initiatives, including mining companies, service providers, microfinance institutions, and telecommunications, gaining business, management, and sales expertise. With a background in Administration, a Program for High Management in People Management, and master's degrees in MBA, Innovation, and Digital Transformation, he is well-equipped to tackle managerial challenges (V́ctor Hugo Florián, n.d.).

**Organizational Structure:** The company adopts a simple organizational structure where Victor Florián serves as the General Manager. He is supported by a team of collaborators who handle maintenance tasks related to the company's systems and digital marketing. This structure appears to promote a streamlined flow of communication and decision-making, which can be beneficial for a company of this size and nature.

**Legal Status:** The company operates as an EIRL (Entrepreneur Individual Limited Liability). Based on the definition of an EIRL from 1976, this legal status allows the company to have a unique structure that allows for a single shareholder with capital contributions made exclusively by the sole contributor (Gobierno del Perú, 2023), in this case, Víctor Florián.

#### **1.4.2 Marketing and Sales**

**Market Research and Analysis:** By analyzing the capabilities of Servicios Delivery EIRL in conducting market research and understanding customer needs, it is evident that venturing into the shoe sales market in Trujillo presents a significant challenge and opportunity, given the city's status as a prominent producer of leather footwear (Diario Correo, 2023). However, the forthcoming implementation of an e-commerce system grants the company a crucial competitive advantage in the Trujillo shoe retail market. To differentiate itself from established competitors such as Zicca, Micade, Nonos, and other recognized brands, Servicios Delivery EIRL plans to leverage its great diversity of footwear offerings. The company intends to integrate products from other footwear producers into its digital market space, working together with niche companies rather than engaging in direct competition. This integration concept supports local producers by helping them sell their products and enhances Servicios Delivery EIRL's appeal as an e-commerce platform with a wide and varied selection of footwear for customers.

**Branding and Positioning:** Servicios Delivery EIRL intends to establish strong relationships with local footwear producers to effectively convey its identity and value proposition. The company recognizes the negotiation skills of Peruvian businessmen and plans to engage in repeated discussions with potential partners, emphasizing the win-win scenario that Servicios Delivery EIRL offers. By demonstrating how the collaboration can result in increased sales for producers and a more diverse footwear offering for Servicios Delivery EIRL's customers, the company aims to position itself as an attractive e-commerce platform for all stakeholders.

**Sales Channels:** In evaluating Servicios Delivery EIRL's sales channels, the company has already made strides in developing its web-based e-commerce platform with the domain "shoes.pe." Drawing from its experience with the delivery system electronic commerce through Shopify for essential product sales, the company is implementing the same technology for footwear sales. This consistency in technology usage is expected to streamline operations and provide a seamless shopping experience for customers. While MiMercado.Delivery has a Facebook page with more than 4000 followers (MiMercado.Delivery, 2023), it recognizes the importance of expanding its social media presence beyond this platform. Efforts to establish a presence on other relevant social networks will be a focus to enhance brand visibility and engage with a broader audience.

**Utility Margin:** The company acknowledges the rising popularity of digital payment systems in driving the growth of the e-commerce footwear market (Technavio, n.d.). To cater to diverse customer preferences, Servicios Delivery EIRL will offer various payment options, including credit cards, cash-on-delivery, internet banking accounts, demand drafts, and cash- on-order. The emphasis on a seamless payment process aligns with the observed tendency in Trujillo, supported by the experience of Victor Florián, the CEO of MiMercado.Delivery (V.

Florián, personal communication, July 19, 2023).

#### ***1.4.3 Productive Operations and Services***

Servicios Delivery EIRL's supply chain management processes operate on a drop-shipping business model. In this way, liaising with footwear suppliers is a crucial aspect of the supply chain, and Servicios Delivery EIRL has established ties with multiple providers, including Nonos, Zicca, and others (V. Florián, personal communication, July 19, 2023). The pricing of footwear products for subsequent sale is determined through this relationship. During the shoe sales process, a portion of the sales revenue goes to the suppliers, while the remaining amount becomes the revenue for Servicios Delivery EIRL. The company's operational capacity is supported by a team of less than 10 people, who manage various aspects of the business operations (V. Florián, personal communication, July 11, 2023).

E-commerce Catalog and Footwear Production: Servicios Delivery EIRL's plan for gathering and updating the e-commerce catalog involves producers visiting the office to register their shoes, with assistance from the company's staff. Gradually, producers will gain access to the online platform, where they can maintain information on their products with ease, considering their digital skills and technology adoption. Regarding footwear production, the company estimates that the introduction of new collections would occur every two months (V. Florián, personal communication, July 19, 2023). This regular introduction of new models will keep the product offerings fresh and engaging for customers, encouraging repeat purchases, and maintaining interest in the platform.

Quality Control: Currently, the company lacks established quality standards for the footwear produced by local producers. But they are planning to work together with responsible suppliers, starting mainly with footwear producers offered by CITEccal and known by the biweekly meetings with CITEccal (V. Florián, personal communication, July 19, 2023).

Customer Service: While the company has a drop-shipping model and local footwear producers handle returns, Servicios Delivery EIRL should collaborate closely with the producers to ensure that return process is smooth and efficient. In this way, clear communication and well-defined protocols for handling complaints and post-purchase support should be established to address any customer concerns promptly and effectively. By providing exceptional customer service, the company can build a positive reputation and foster long-term customer loyalty.

#### ***1.4.4 Finances and Accounting***

The financial section of the company is overseen by Victor Florián, who is investing his personal resources in this project (V. Florián, personal communication, July 19, 2023). Concurrently, he actively pursues funding opportunities from national entities that support Peruvian entrepreneurship, focusing on scalability projections and fostering innovation within the Peruvian industry.

In this sense, the company has successfully secured funds from the Ministerio de la Producción, enhancing its financial stability and potential for success. Specifically, the program ProInnovate Peru resulted in the funding of 45,000 soles for this project (ProInnovate, 2022), which showed external confidence in the company's prospects. However, it is important to note that this amount represents only a portion of the total required for the project's development. A detailed estimated budget, presented in Table 1, illustrates that ProInnovate covers approximately 72% of the total expenses, with Víctor Florián personally contributing to bridging the remaining gap, underlining his strong commitment to the company's success.

#### **Table 1**

*Servicios Delivery Estimated Budget in Soles*

Description	Total Cost	ProInnovate	
		Contribution	Own Contribution
Materials and supplies	-	-	-
Consultancies	5,000.00	5,000.00	-
Third-party services	50,285.56	40,000.00	10,285.56
Wages	6,857.04	-	6,857.04
<b>Total</b>	<b>62,142.60</b>	<b>45,000.00</b>	<b>17,142.60</b>

*Note.* This table is adapted from Servicios Delivery EIRL, 2023b.

As of now, the company's current investments amount to \$5,000, with an anticipated investment timeframe of approximately 4 months, and a projection of the expenses for the first year (V. Florián, personal communication, July 19, 2023). However, to ensure effective financial planning and success, it is crucial to determine the break-even point, which remains unknown. It is highly advisable for the company to conduct a comprehensive analysis to calculate an average break-even point and set a clear and achievable goal toward reaching this milestone. At this point it is important to highlight that the only source of incomes, as expected until now, will come from a commission gain through the drop-shipping model.

#### **1.4.5 Human Resources and Culture**

The company boasts a diverse and dynamic workforce comprising both men and women aged between 23 and 40 years. Notably, the management is led by a respected figure in Trujillo's business community, Victor Hugo Florián Paredes. Presently, the company operates with eight full-time employees distributed across three departments, with only two individuals currently on the payroll. In Figure 5, the detailed organizational structure can be observed.

#### **Figure 5**

*Servicios Delivery EIRL Organizational Structure*



*Note.* Adapted from Servicios Delivery EIRL, 2023c.

To adapt to the evolving work environment, the company has prioritized providing adequate training to its personnel, enabling them to proficiently conduct videoconferences and work remotely (V. Florián, personal communication, July 19, 2023).

In assessing the company's organizational culture, it is important to note its core values and their alignment with the overall company goals. The company places a strong emphasis on customer centricity and customer satisfaction, indicating a commitment to prioritizing clients' needs and preferences (V. Florián, personal communication, July 19, 2023). While there is a social sustainability focus on helping local footwear producers to expand their businesses, there is currently no explicit focus on environmental sustainability, which is an area for potential improvement.

The company's vision to become one of the leading online footwear sales channels by 2024 demonstrates an ambitious and growth-oriented mindset. While it is growing, it is relevant to have a clear definition of success, in this case, measuring success is primarily centered around encouraging the entrepreneurial environment in the region of La Libertad and driving sales growth (V. Florián, personal communication, July 19, 2023). However, it is worth noting that SMART goals have not been defined yet, and it could help to have clearer performance metrics and a more structured path to success.



#### ***1.4.6 Information Technology and Communications***

Regarding the IT Infrastructure, the collaborators are equipped with individual laptops, enabling seamless face-to-face work. Virtual meetings are conducted using Google Meet, facilitating effective communication and collaboration among team members (V. Florián, personal communication, July 11, 2023). Additionally, the work center is well-equipped with laptops, desks, blackboards, and a designated snack area, promoting a productive and comfortable working environment.

Furthermore, communication with CITEccal, the strategic partner, is well-established with regular reporting after each completed task and meetings held approximately every two weeks. CITEccal provides a valuable list of footwear producers, offering networking opportunities for Servicios Delivery EIRL which allow the company to select potential partners to collaborate with effectively (V. Florián, personal communication, July 19, 2023).

#### ***1.4.7 Technology***

To assess the company's commitment to innovation and technological advancement, it is essential to evaluate its investments in research and development (R&D). A strong focus on R&D enables the company to continuously develop and improve its website and augmented reality features. By dedicating resources to R&D, specifically around 80% of total expenses (see Table 1), the company can enhance its products and services leading to improved customer experiences and sustained competitive advantage.

Additionally, the company is developing an online platform based on Shopify, leveraging knowledge from previous experience with MiMercado.Delivery for groceries. Shopify's established platform capabilities and user-friendly interface can expedite the development process and ensure a seamless customer journey (Shopify, 2023).

The company's emphasis on online payments, offering options such as debit and credit cards, as well as mobile payment methods like Yape or Plin, reflects its customer-centric approach (V. Florián, personal communication, July 19, 2023). By providing multiple payment channels, the company enhances convenience and accessibility for customers, potentially increasing sales and customer satisfaction. Furthermore, the strategic reservation of the domain "shoes.pe" underscores the company's foresight and commitment to securing a relevant and recognizable online presence (V. Florián, personal communication, July 11, 2023). This domain reservation aligns with the company's vision to establish itself as a leader in the online sales channels for shoes, enhancing its brand identity and market positioning.

## **1.5 Conclusions**

Servicios Delivery EIRL, operating as MiMercado.Delivery since its foundation in 2018, has successfully established itself as a digital sales channel for local merchants, offering a wide range of products from fruits and vegetables to groceries, liquor, and pet supplies. Building on this success, the company's new business idea, shoes.pe, aims to venture into the footwear e-commerce market, capitalizing on the government's financial support and integrating augmented reality technology to enhance the customer experience. With high buyer power and competitive rivalry in the industry, the company's ability to differentiate itself through strategic marketing, strong partnerships, and customer-centric approach positions it favorably. However, challenges in engaging footwear manufacturers and lack of defined quality standards present hurdles to overcome. Nevertheless, the opportunities offered by governmental support and growing preference for online shopping are promising. With its experience in drop-shipping and website operations, and its agile

approach to challenges and opportunities, the company can become a leading player in the digital retail space in Trujillo, Peru.



## Chapter II: Key Problem

In this chapter, the key problem faced by Servicios Delivery EIRL will be explored including the different aspects of substance, location, ownership, magnitude, and time perspective.

### 2.1 Identified Problems

Analyzing the new initiative shoes.pe, several problems and potential problems can be identified. Firstly, there is a pressing need to persuade local footwear producers to embrace e-commerce, which is hindered by their unfamiliarity with the online sales environment, coupled with concerns arising from their relatively lower level of education. Overcoming these challenges and instilling confidence in the potential of online shopping will be crucial in gaining their participation.

Additionally, the development of AR functionalities on the website poses a technical challenge that requires a team with the requisite skills and expertise. Building strong relationships with local footwear producers is also essential, as trust and cooperation will pave the way for their active involvement in the platform.

Moreover, acquiring relevant knowledge about the footwear industry is paramount to understanding market dynamics, customer preferences, and competitors. The need to outpace competitors in terms of speed and quality is an ongoing concern that demands continuous innovation and improvement.

Financial capital is another critical aspect to address, as it is necessary to invest in the platform's development, marketing, and operational aspects. Furthermore, providing a reimbursement policy for logistics in case products do not fit customers' expectations can become a problem.

Another new challenge arises as the supplier now needs to take responsibility for shipping, necessitating efficient coordination and smooth logistics processes compared to the former business where MiMercado.Delivery took care of the delivery itself.

By tackling these identified problems, Servicios Delivery EIRL can pave the way for the successful implementation of shoes.pe.

## **2.2 Key Problem**

**Substance:** The core issue lies in persuading footwear producers to embrace the online platform for selling their products. This issue is reflected in the limited number of producers on the website, the insufficient product offerings (shoes), and the producers' limited sales primarily occurring onsite/offline rather than online. The underlying reasons behind this reluctance include the perception of the online sales process as cumbersome and the lack of clear, predictable future sales volume, leading to uncertainty about the benefits of transitioning to an online selling model.

**Location:** The identified problem has been observed in both the Sales and Marketing departments of shoes.pe. The Sales department is affected by the issue of not having enough footwear products to sell on the online platform, while the Marketing department is tasked with persuading footwear producers to explore the opportunities of online selling. This challenge has a widespread impact, extending beyond the two departments, and affecting other areas such as infrastructure and website development. The problem's significance is profound as it serves as the foundation for the success of the entire project.

**Ownership:** The individuals affected and invested in solving the problem include all team members working on the footwear project, with Victor Florián, the head of the project, playing a pivotal role. This aspect is crucial as the success of the entire program relies on having products to sell on the website. Without a sufficient number of footwear products, the website's functionality and purpose are compromised. Potential difficulties are likely to arise

from local footwear producers, the majority of whom lack experience in online selling. Convincing them to embrace the new platform presents a challenge due to their unfamiliarity with e-commerce and apprehensions about the process. Victor Florián is fully aware of the problem and understands its significance for the project's success. In addressing this issue, shoes.pe has taken a proactive approach by offering to conduct AR scans and the administration of the online registration, streamlining the process for producers. All producers need to do is bring their shoes to the shoes.pe office for the scanning procedure.

Magnitude: The problem's significance can be assessed both in absolute and relative terms. In absolute terms, the consequences encompass unused website capacity, unachieved sales, and underutilized governmental funding. These represent tangible losses in working time, financial resources, and unrealized potential gains. Specifically, with a total estimated budget of S/.62,142.6, including materials and supplies, consultancies, third-party services, and wages, any inefficiency in addressing this problem translates directly into financial losses. Especially with the contribution of S/.45,000 from ProInnovate it is more than important to not waste this governmental funding. To this loss in financial resources comes missing out on potential future sales revenue.

In relative terms, the impact is far-reaching, rendering the entire project ineffective if local footwear producers remain unwilling to participate. Without their active involvement, the online platform lacks the necessary products to attract consumers and drive sales, posing a critical obstacle to the project's success. The implications extend to the unit and people involved in the initiative. The entire unit becomes ineffective, leading to concerns about job security for the individuals working on the project. Addressing and resolving this problem is crucial for the organization as a whole, as the success of the project directly affects the company's trajectory and growth prospects. However, if the problem is successfully addressed, the gains are substantial. The project becomes a catalyst for helping local footwear

producers, providing them with a new sales channel and boosting their revenue. Additionally, the organization benefits from increased income, valuable experience gained from overcoming challenges, and a diversified product portfolio, enhancing its competitive position in the market.

Time Perspective: This problem has been present since the inception of the project, persisting throughout its development. It exhibits a recurrent nature, surfacing with nearly every producer approached for participation. However, there is a positive tendency expected over the long term, with the issue gradually decreasing in severity as footwear producers begin to recognize the advantages of online selling. As the project progresses, there may be anticipation of potential future challenges, especially during the initial stages of convincing producers to join the online platform. Nevertheless, with a strategic approach and effective communication, these obstacles can be mitigated and lead to a more favorable outcome.

### **2.3 Conclusions**

Addressing the core problem of convincing local footwear producers to embrace the online platform is crucial for the project's overall success. The magnitude is widespread and with the problem recurring, the whole initiative is at risk. Only if the problem is addressed properly, shoes.pe can create a thriving online sales platform, benefiting both the organization and the local footwear producers, and positioning itself as a leader in the online sales channel in the future.

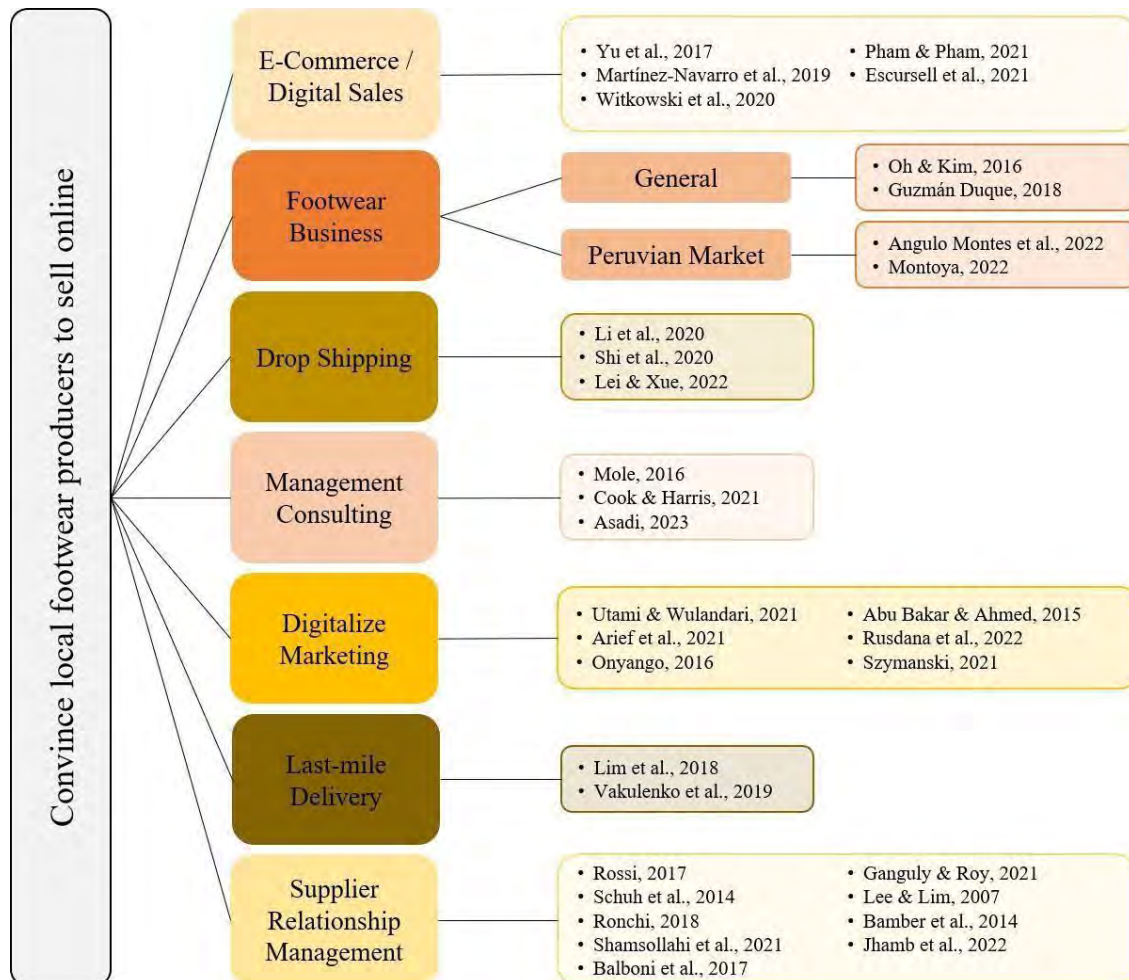
## **Chapter III: Literature Review**

The following chapter analyzes the literature related to the company and identified problem based on different topic areas. First, a literature map is presented to visualize the selected literature which is analyzed afterwards, and the main findings are highlighted. Subsequently, a conclusion will be drawn.

### 3.1 Literature Map

Figure 6

#### Literature Map



### 3.2 Literature Review

#### 3.2.1 E-commerce/Digital Sales

The activities described in these studies focus on different aspects of e-commerce and its potential for growth and improvement. Utilizing social media platforms and e-commerce sites, with the goal of increasing product visibility and sales profits is a good way to transit a traditional shoe business to digital marketing (Yu et al., 2017). Different virtual reality formats and devices intricately influence consumers' purchase intention within virtual stores through a dual mechanism involving emotions, sense of presence, and brand recall, thereby



holding profound implications for the evolution of e-retailing practices (Martínez-Navarro et al., 2019).

The trade based on the drop-shipping logistics model in e-commerce is its low-risk nature, primarily attributed to minimal financial investment, absence of storage obligations, and easy exit strategies in case of failure (Witkowski et al., 2020). On the other hand, the study focused on e-commerce startups in Vietnam reveals that risk-taking propensity, alongside achievement orientation, reliability of e-service quality, and e-networking, plays a pivotal role in determining their success (Pham & Pham, 2021).

Finally, the literature review shows the imperative for ongoing research and innovation in e-commerce packaging to foster the adoption of environmentally sustainable materials and processes, particularly those originating from renewable sources or recycled materials (Escursell et al., 2021).

### **3.2.2 Drop-shipping**

The literature findings on the optimal contract choices for drop-shipping and wholesale in the retail-manufacturer supply chain provide valuable insights for decision-makers. The preference for drop-shipping policies, regardless of whether the stocking is manufacturer-owned or retailer-owned, highlights its appeal for retailers as a profit-maximizing strategy. By adopting drop-shipping, retailers can continuously increase their profits with higher order fulfillment fees, while manufacturers can avoid shipping costs, contributing to enhanced profitability for both parties (Li et al., 2020). Additionally, the influence of various factors, such as bargaining power, product quality, demand, and inventory costs, underscores the complexity of contract decisions. Retailers and manufacturers must carefully analyze these factors to identify the most suitable approach for their specific context and optimize supply chain performance (Shi et al, 2020).

Moreover, the identification of a "prisoner's dilemma" situation highlights the potential challenges in reaching mutually beneficial contract decisions. This dilemma arises when drop-shipping becomes the dominant strategy for the manufacturer, while sharing demand information becomes the dominant strategy for the retailer. Addressing this issue requires effective communication and collaboration between retailers and manufacturers, with a focus on aligning their interests and establishing equitable and efficient contract arrangements. By leveraging these insights, stakeholders in the retail-manufacturer supply chain can navigate the complexities of contract choices, enhance operational efficiency, and strengthen their competitive position in the dynamic marketplace (Lei & Xue, 2022).

### ***3.2.3 Supplier Relationship Management***

Existing literature on supplier relationship management (SRM) offers a thorough comprehension of the essential elements, obstacles, and approaches involved in establishing and sustaining successful partnerships between buyers and suppliers. Developing a good relationship requires factors such as rapport, information sharing, feedback, and a commitment to quality (Rossi, 2017). In general, the different components of SRM include goal definition, supplier selection, management, development, and collaboration as well as measuring results. Throughout these different parts, challenges encompass lack of trust, communication, and alignment (Schuh et al., 2014). Additionally, the internet has revolutionized customer-supplier relationships, leading to improved efficiency, reduced costs, and increased customer satisfaction. However, the use of the internet also presents challenges related to trust (Ronchi, 2018).

Relationship fluctuations in SRM can be influenced by changes in the business environment, strategic goals, and personal relationships between key decision-makers. The stages and trajectories of relationships typically include an initial courtship phase, a period of growth, maturity, and eventually, decline or termination. To achieve relationship continuity,

building trust and commitment, open communication, regular interaction, and flexibility are vital. Moreover, relationship learning can be achieved through knowledge sharing, joint problem-solving, openness to new ideas, and a willingness to experiment (Shamsollahi et al., 2021). Especially for transferring knowledge, trust, commitment, communication, joint problem-solving, and shared goals are crucial factors (Balboni et al., 2017).

Furthermore, supplier satisfaction is essential and is influenced by relationship quality, buyer's technical competence, financial stability, and innovativeness. The importance of supplier satisfaction lies in its potential to improve performance, innovation, and collaboration (Ganguly & Roy, 2021). Additionally, involvement in Production and Engineering Meetings for suppliers can be driven by perceived benefits such as increased efficiency, improved communication, and reduced costs, as well as perceived risks like security and lack of trust, alongside supplier characteristics (Lee & Lim, 2007).

Looking at local producers in particular, challenges include limited access to finance, lack of skills, and inefficient infrastructure. Hence, helping local producers connect to Global Value Chains involves providing access to finance, building skills, and improving infrastructure, which can promote economic growth and development (Bamber et al., 2014). In general, strengthening relationships requires various skills and attributes, including training, communication, knowledge management, grievance handling, trust-building, and employee suitability (Jhamb et al., 2022).

In conclusion, SRM plays a pivotal role in optimizing supply chain performance, fostering collaboration, and achieving sustainable competitive advantages. By nurturing strong relationships with suppliers, businesses can enhance their operational efficiency, innovation capabilities, and overall business performance. Understanding and implementing effective SRM strategies are essential for organizations seeking to build resilient supply chains and thrive in the dynamic and interconnected global marketplace.

### 3.2.4 *Last-mile Delivery*

In recent years, there has been significant growth in e-commerce, leading to advancements in the retail and logistics industries (Moagar-Poladian et al., 2017). Concurrently, there has been a rise in customer demands for higher service quality, with customers seeking personalized service options such as flexible delivery times and locations, favorable purchase conditions, and convenient parcel collection and returns (Michałowska et al., 2015).

In this context, it is important to recognize that last-mile delivery in the supply chain presents several challenges, including traffic congestion, limited delivery time windows, high delivery costs, parcel theft, and environmental impacts (Vakulenko et al., 2019). To address these challenges, various strategies have been adopted, such as crowd shipping, click-and-collect services, locker delivery systems, and partnerships with local businesses acting as delivery hubs. These last-mile delivery options can be classified into three categories: (1) push, where the product is delivered to the consumer's postcode by someone other than the consumer; (2) pull, where the consumer fetches the product from the source; and (3) hybrid, where the product is sent to an intermediate site and then fetched by the consumer (Lim et al., 2018).

According to Lim, Jin and Srai (2018), push-centric last-mile logistics (LML) models, driven by order visibility performance, are suitable for variety-seeking market segments where time convenience is prioritized over physical convenience. Conversely, pull-centric LML models focus on order response time, order visibility, and product returnability, which align with markets desiring high physical convenience, low product customizability, and extensive product variety. Furthermore, the study highlights the emergence of hybrid systems that deliver service capacity performance excellence through multiple clusters of contingency

variables, catering to availability-sensitive markets and consumers prioritizing physical convenience over time.

And independently of the model chosen, it is worth noting that the customer journey involves various touchpoints provided by multiple entities, collectively shaping the customer experience (Vakulenko et al., 2019). So, regardless of each provider's role in delivering the core service, they all contribute to the overall experience from the customer's perspective. Notably, the last-mile delivery, which constitutes the final stage of the delivery process from suppliers to the end-user's doorstep, plays a pivotal role in customer satisfaction and brand loyalty (Vakulenko et al., 2019).

### **3.2.5 Footwear Business**

Entrepreneurs in the footwear sector recognize the importance of exploring new markets beyond their region to increase transactions. However, they show a lack of understanding and trust in virtual commercialization channels like e-commerce and S-commerce due to perceived risks and confusion with the playful nature of social media. And the main obstacle to starting e-commerce in their businesses is the lack of knowledge and a well-defined plan for implementation (Guzmán Duque, 2018).

Despite this reality, some companies are already involved in e-commerce, and most of them have adopted mass customization to efficiently deliver unique value to their customers. With advanced information technology and the Internet, build-to-order or make-to-configuration processes have become feasible, allowing for large-scale customization of products or services at a relatively low cost. Personalization, on the other hand, involves tailoring services or information based on customer characteristics, as seen in Amazon's product recommendations driven by user search history, clickstream behavior, and transaction records (Oh & Kim, 2015).

Even more, a novel online e-business model leverages readily available 3D scanning technology to recommend shoes that best fit a customer's feet. This approach reduces the likelihood of size mismatches and product returns, leading to increased customer satisfaction in the long run (Oh & Kim, 2015). As a result, 3D AR technology presents a promising option for future customization endeavors.

Looking to Peru, according to IAB (2018, as cited in Angulo et. al, 2021), the Peruvian market consists of over 5.1 million buyers with a potential of 16 million. However, there are barriers related to banking, lack of knowledge, and distrust when it comes to online purchases. Nevertheless, online sales are gaining traction over traditional and modern retail distribution channels, with smartphones, televisions, and tablets having the highest penetration and usage for advertising due to the credibility users associate with these devices (Ipsos, 2018).

Regarding the population of Peru, 75% believe that technology improves their lives (Núñez, 2018). Despite this perception, according to the Digitalization Index DiGiX developed by BBVA Research (2017), Peru lags behind its peers in the region, particularly in terms of Affordability and Infrastructure. Considering that the promotion of technology offers development opportunities not only for the general population but also for businesses, Peru has activated the National System of Digital Transformation, encouraging the proper use of digital tools, leading to increased efficiency in business and opening up new markets (BBVA, 2020).

The competitive environment in the medium-sized sector requires companies to effectively utilize their resources and strategies to consistently stand out and sustain their growth. It is precisely the micro and small enterprises that have embarked on the digital channel leap, supported by available technology, such as digital sales or e-commerce platforms primarily (Montoya, 2022). Based on this, a well-focused and insightful approach

is proposed, utilizing the evolving technology to generate a competitive advantage that serves as a true barrier against competitors.

A study conducted on a footwear company in Lima Metropolitan shows that the implementation of a B2C e-commerce model, even in this highly competitive sector, is positively linked to gaining a competitive advantage. Specifically, the design, functionality, and security of the B2C e-commerce model are directly related to its competitive advantage. Therefore, it can be concluded that the strategy adopted by the studied company is effective in achieving a reliable differentiation, at least in the medium term, within its competing sector (Montoya, 2022).

### **3.2.6 Management Consulting**

Consulting projects are centered around problem-solving, where the underlying causes of a client's problem may be unclear at the beginning. Effective consultants must diligently search for evidence, analyze clues, and define the issues to provide valuable solutions (Cook et al., 2022). Despite the potential benefits, many small businesses exhibit reluctance in seeking advice from business consulting firms. Mole (2016) identifies several reasons for this hesitation, including a lack of awareness about the costs and benefits of available advisors, doubt about the value of advice and the associated risks, past negative experiences, and the absence of a trustworthy relationship with advisors. Moreover, even when small business owners possess a positive mindset towards consulting services, they may encounter challenges in implementing the advice due to issues with time management and planning. Additionally, the demanding day-to-day challenges faced by these owners often limit their ability to explore and apply new knowledge. Successful consulting necessitates providing customized and understandable solutions while offering ongoing support to facilitate implementation. Maintaining continuous interaction with business owners is crucial for ensuring the success of consulting projects (Asadi, 2023). In student team consulting, a

content-oriented approach is commonly employed, with students researching the problem and presenting diagnostic solutions to the client. Clear communication of recommendations and appropriate implementation steps are vital in this process (Cook et al., 2022).

### **3.2.7 Digitalize Marketing**

Shifting from traditional methods to using social media and online platforms like Instagram, Facebook, Tokopedia, and Shopee can increase their visibility, sales, and profits (Utami & Wulandari, 2021). The second research highlights digital tools can help overcome marketing challenges in agricultural product marketing in developing countries, particularly focusing on issues related to operational difficulties and resistance to innovation (Arief et al., 2021). In a Kenyan context, the third study advocates for broader integration to enhance competitiveness, which can significantly bolster performance (Onyango, 2016). Meanwhile, in Malaysia, the fourth investigation emphasize the importance of technology motivation and management support on e-marketing technology adoption (Abu Bakar & Ahmed, 2015). In the digital era, entities are leveraging social media-driven marketing communication strategies to enhance their competitiveness (Rusdana et al., 2022). Lastly, this study emphasizes the interplay between sales challenges, company age, and marketing inspirations, highlighting the growing significance of marketing tools like sales promotion, social media, and website positioning (Szymanski, 2021).

### **3.3 Conclusions**

The findings from the literature review shed light on the complexities and opportunities involved in convincing local footwear producers to join shoes.pe for online sales. To establish successful partnerships, SRM plays a vital role, requiring trust-building and effective communication with small producers. Financial support, showcasing relevant skills, and providing necessary infrastructure can further incentivize their participation. Regarding the drop-shipping model the focus should lay on aligning interests through



collaboration and communication. In general, management consulting can aid in problem-solving and identifying underlying causes, but it is essential to address the hesitations of small businesses through the consulting team, offering research-based solutions and building trust. Incorporating digital marketing strategies and e-commerce adoption can overcome challenges in marketing products and improve business performance, leveraging social media and technology motivation.

As the footwear industry's potential for growth lies in adopting e-commerce and mass customization, 3D AR technology presents exciting opportunities for future customization. However, digitalization challenges in Peru, such as infrastructure and affordability, need to be addressed for optimal implementation. Additionally, optimizing last-mile delivery is critical to meet customer demands for personalized experiences, enhancing overall satisfaction and brand loyalty.

While the potential benefits are evident, the success of convincing local producers to embrace e-commerce relies on addressing infrastructure limitations, building trust, and communication. By implementing the insights gained from the literature, shoes.pe can strategically navigate these challenges and capitalize on the opportunities presented by the growing digital marketplace, establishing a strong foothold in the competitive online space and fostering lasting partnerships with local footwear producers.

#### **Chapter IV: Qualitative / Quantitative Analysis**

In the following chapter two types of analysis will be conducted. Different qualitative as well as quantitative data related to the topic of local footwear producers starting to sell online will be studied and afterwards, a conclusion will be made.

##### **4.1 Qualitative Analysis**

The qualitative analysis is structured upon three primary sources of information.

Initially, it encompasses the pivotal insights garnered from an extensive literature review. Subsequently, it delves into the comprehensive feedback procured through interviews conducted with the Chief Executive Officer of Servicios Delivery EIRL. Lastly, the analysis draws upon data gleaned from a meticulously executed survey involving local footwear manufacturers in collaboration with CITEccal, within the geographic territory of El Porvenir in Trujillo.

At this juncture, it is imperative to elucidate that the survey, as meticulously outlined in Appendix A, was crafted through a collaborative effort led by Victor Florián. This collaborative endeavor, further fortified by the partnership with CITEccal, played a pivotal role in orchestrating the survey's widespread dissemination within the local footwear producer community. It is worth noting that the survey was conducted exclusively through an online platform utilizing Google Forms. The distribution of the survey link was expertly managed by CITEccal. In adherence to their strategic counsel, the survey refrained from explicitly mentioning shoes.pe. This thoughtful approach resulted in the collection of responses from a carefully selected cohort consisting of nine esteemed participants, as detailed in Appendix B.

Among these participants, three men and six women took part, thus reflecting a balanced gender representation. Notably, the majority possess a considerable span of experience in the footwear sector, with nine or more years dedicated to their craft. A unifying theme among these participants is their openness to embracing novel technologies that could potentially optimize their business operations. However, despite this receptiveness, certain apprehensions surface. Predominantly, security emerges as a primary concern, following closely, trust-related considerations are raised.

Intrinsically, an intriguing sentiment surfaces—almost all respondents are of the conviction that governmental initiatives geared towards supporting their engagement in e-

commerce sales are conspicuously absent. Despite this prevailing perception, the participants exhibit a proactive stance toward enhancing their skills. They express a willingness to undergo training and harbor aspirations to venture into digital platform-based e-commerce. This future trajectory aims to facilitate product marketing, broaden their consumer base, and ultimately augment sales. Showing that by achieving these results through E-Commerce sales, they will be willing to be part of this initiative.

Based on the collected data in the interviews with the CEO of MiMercado.Delivery, it was identified that local footwear producers are facing some concerns that are significantly impacting their operations and growth prospects. In terms of their main concerns culture plays a crucial role for these producers. It is noticeable that footwear manufacturers in Trujillo have a cultural preference for traditional sales practices. Many of them have acquired their skills over generations, often inheriting them from their parents and grandparents. Historically, their sales operations revolve around physical stores, involving personal client interactions, price negotiations, and cash transactions (V. Florián, personal communication, July 19, 2023). In alignment with it, security concerns are intertwined with this cultural reluctance to trust online platforms for business transactions (V. Florián, personal communication, August 17, 2023).

Furthermore, the producers worry about their connection with customers in the online realm. They fear that customers might prefer physically purchasing products due to a lack of trust in online transactions and the desire to interact with products before buying.

Resource constraints are also a significant hurdle, the producers lack the skilled workforce required to manage online sales effectively. This deficiency in capacity for online selling, including handling digital storefronts and online customer interactions, is inhibiting their expansion into the digital market (V. Florián, personal communication, August 17, 2023).

Moving on to secondary concerns, financial barriers pose a notable challenge. The high costs associated with establishing and maintaining an e-commerce platform, coupled with a lack of financial support, hinder their ability to invest in crucial technology upgrades and the development of a robust online presence. Also, the existing competition with well-established online platforms and customer bases makes it even more difficult for local producers to establish a foothold in the digital market space (V. Florián, personal communication, August 17, 2023).

Moreover, looking at literature insights, it is true that over the past few decades, technology has become an integral part of people's lives, permeating various business sectors; however, the rate of digitalization has varied across regions, with some areas experiencing slower adoption. In Peru, for instance, certain regions still lack widespread access to information technologies (INEI, 2022).

Considering this context and acknowledging that Trujillo is not among the most digitally advanced cities in Peru, a trend that extends to businesses adopting digital processes (Siente Trujillo, 2020), it is reasonable to expect that certain locals may not be accustomed to daily digital technology usage. Additionally, the general apprehension towards change, a common human reaction (Laumer & Eckhardt, 2011), and the influence of Hofstede's cultural dimensions, which identify Peru as a country with a high level of uncertainty avoidance (Hofstede Insights, 2010), contribute to this scenario's underlying dynamics.

Even in this reality, the compelling need for businesses to migrate toward digital sales is evident, because the digital gap in Peru is closing, and consumer behavior is shifting toward digital platforms. For instance, a study on a footwear company in Lima Metropolitan area underscored the positive impact of implementing a B2C e-commerce model in gaining a competitive advantage over their competitors (Montoya, 2022). In light of these considerations, shoes.pe's decision to establish a nationwide online sales presence holds

significant strategic importance. This initiative not only serves to advance local business development but also to expand their market reach by embracing digital channels.

Importantly, this shift towards digital sales is not intended to replace in-store transactions but rather to augment them, providing an additional avenue for sales and enhancing proximity to their valued clients.

However, delving deeper beyond the surface benefits, it's crucial to comprehend the intricacies of how the local population perceives and embraces change. Understanding the cultural context, particularly the marked degree of collectivism within Peruvian culture (Hofstede Insights, 2010), reveals that trust and influence play pivotal roles in decision-making. Word-of-mouth recommendations and the sway of respected leaders hold significant weight in encouraging openness to changes in established practices and ways of conducting business for Peruvians.

In tandem with cultural considerations, education plays a pivotal role in the digital transition. The footwear producers' familiarity with advanced digital tools, such as the internet, smartphones, apps, and social media is limited as well as the knowledge about e-commerce, AR, and last-mile delivery options. This situation aligns with broader trends in the Latin American business context, where entrepreneurs acknowledge the need to expand into new markets but grapple with challenges in adopting virtual commercialization channels like E-commerce (Guzmán Duque, 2018).

Even so, it is relevant to recognize that digital marketing adoption enhances performance (Onyango, 2016) and that currently many MSMEs leverage social media for competitiveness (Rusdana et al., 2022). So, in this context and considering the high competence in a globalized world, it is necessary to use all the available resources to gain advantage. In this sense, shoes.pe has taken a forward-looking approach, incorporating Augmented Reality for footwear e-commerce, looking to enhance future customization

possibilities (Oh & Kim, 2015), and generating improvement in customer satisfaction. Going deeper into this topic of customer satisfaction, it is important to consider that consumers perceive the whole selling experience as one unit including the product delivery. Hence, collaboration with reliable third-party delivery companies is essential to deliver a high-quality service.

## 4.2 Quantitative Analysis

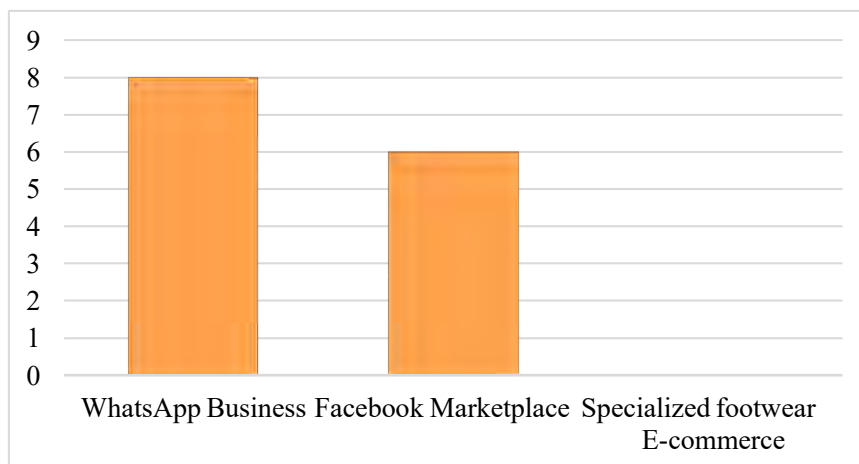
In the pursuit of rigorous quantitative analysis, the research was organized into distinct segments with the intention of comprehensively addressing the research objectives. The described approach encompasses two primary components: survey-based data collection and supplementary data aggregation.

Regarding to the performed surveys, it's noteworthy that while none of the participants adhere to official quality standards, they do emphasize the importance of quality in their business practices, thereby underscoring their commitment to delivering value. Additionally, a significant portion of respondents – six out of nine – highlight the significance of showcasing material specifics on an online e-commerce platform for footwear products.

In terms of virtual platforms, a substantial number of respondents have actively engaged with modern tools to expand their business reach. Notably, eight participants have utilized WhatsApp Business, while six have explored Facebook Marketplace. This digital foray extends to marketing efforts on Facebook and Instagram, which the majority have leveraged for brand visibility. Impressively, TikTok has also entered the promotional landscape for four participants. Interestingly, only one respondent has abstained from virtual platforms.

### Figure 7

*Number of Footwear Manufacturers Active on E-Commerce Platforms*



*Note.* Data from survey among local footwear producers (see Appendix A).

Strikingly, none of the participants have ventured into dedicated e-commerce platforms tailored for footwear products. This observation underscores an untapped opportunity in the form of specialized digital commerce platforms.

Turning attention to last-mile delivery alternatives, a prevailing trend emerges wherein nine participants have explored such options. Impressively, eight respondents view this as an avenue for expanding their client base, optimizing delivery efforts, and saving time in direct product distribution. However, there exists a mixed perspective, as one respondent views this as a challenge to embark upon, while another has no prior experience in this regard. Intriguingly, when it comes to delivery, a preference emerges, with six respondents favoring third-party last-mile delivery services, while the remaining respondent expresses a desire for direct involvement in delivery.

The following analysis will be based on data from different statistics and other data sources to fulfill the research objectives. According to the IMD World Competitiveness Center (2022), Peru currently holds an overall ranking of 57 out of 63 countries. Notably, key characteristics scrutinized in this report, related to the identified issue, revolve around the

level of knowledge concerning digital tools and the preparedness for implementing digital solutions in businesses. In specific segments, Peru's scores are as follows:

**Knowledge:** Ranked 56 out of 63 countries, highlighting the need for significant advancement in training on the use of digital tools. Specifically, regarding Digital/technological skills, it achieves 59 out of 63, showing high space for improvement regarding the use of digital tools. Moreover, in Employee training, Peru scores 53 out of 63, pointing to the lack of education in this regard.

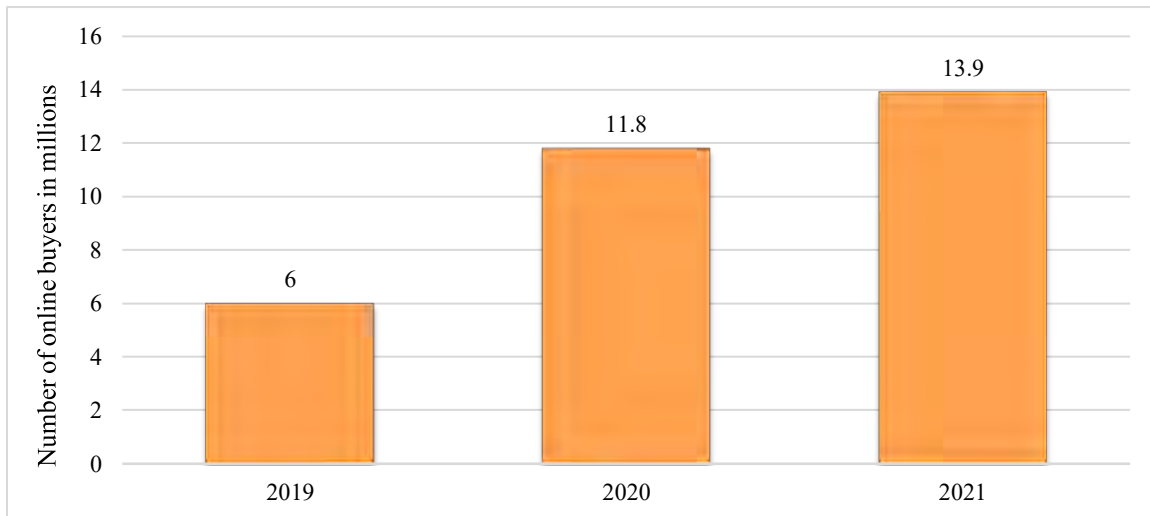
**Future Readiness:** Achieving a ranking of 54 out of 63 countries, indicating a really low level of readiness for upcoming digital trends in comparison with other countries. Specifically on Internet retailing, where Peru has a score of 53 out of 63, there is a long way to progress.

These metrics underscore the imperative for considerable progress to enable businesses to digitalize their operations effectively. The growing number of online shoppers in Peru, as indicated in Figure 8, is driving businesses, despite the existing digital gap, to adapt to this new environment. Furthermore, there is a notable increase in competitiveness, with a 72% growth in department stores in Peru from 2020 to 2021 (CAPECE, 2022). Importantly, within the shoes sector, 40% of Peruvians prefer purchasing these products online (Kunst, 2023).

### **Figure 8**

*Number of Online Shoppers in Peru from 2019 to 2021*



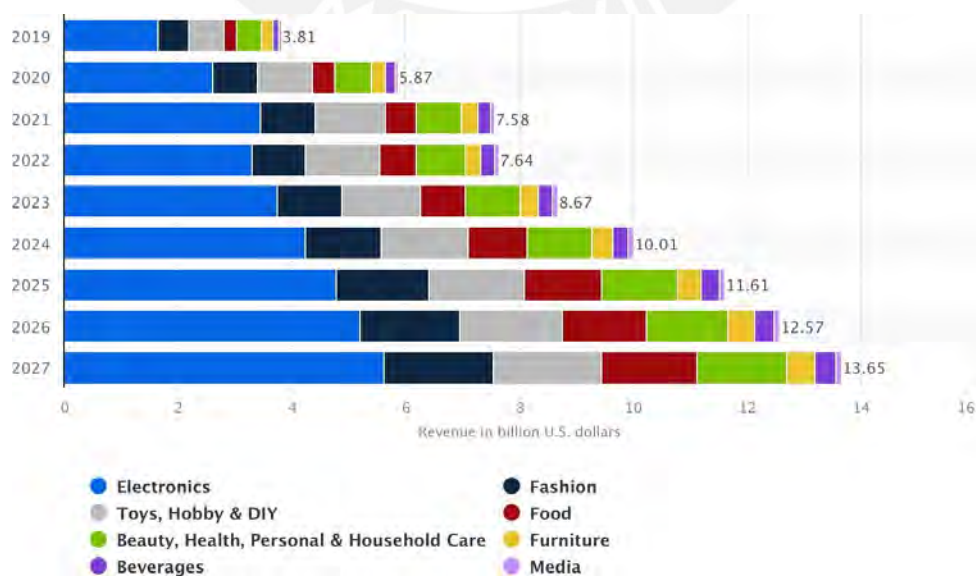


*Note.* Numbers in millions. In the public domain. Adapted from Cámara Peruana de Comercio Electrónico, 2022.

This upward trend is projected to continue, as depicted in the revenue forecast for the e-commerce market in Peru up to 2027 (Figure 9). Notably, the mean ticket for online shopping in Peru has been also on the rise, reaching 250 soles in 2021 (CAPECE, 2022).

### Figure 9

*Revenue of the E-Commerce Market in Peru from 2019 to 2027 by Segment*



*Note.* Numbers in billion U.S. dollars. From Statista, 2023.

Considering these statistical insights, it is crucial to examine implementation figures, specifically focusing on the concerns of footwear producers regarding their participation in the e-commerce platform. A significant aspect pertains to the adoption of last-mile delivery. Some of the local footwear manufacturers have knowledge of last-mile delivery platforms and others not; some of the most used in the region are Olva and Urbano (V. Florián, personal communication, July 19, 2023), which have important characteristics related to national wide delivery feasibility, API for integration with own digital platforms and reverse logistics (CAPECE, 2022), with more details given in Table . This mixed indicator provides valuable insights, indicating that footwear producers may or may not be accustomed to the use of such services, emphasizing the complexity of their integration into the evolving digital landscape.

**Table 2***Trusted Logistic Operators*

Kind of Supplier	Supplier Name	2022 rate by type of shipment					Order entry				
		Express (1-3 hours)	Same day	Next day	48 hours or more	Shipment to provinces	International shipment	API	Web API	Massive load	App
	99 minutos.com	From S/.8.90	From S/.12.10	From S/.11.50	No	Yes	No	Yes	Yes	Yes	No
	Anovo	From S/.14.00	From S/.13.00	From S/.11.00	From S/.9.50	Yes	No	Yes	Yes	Yes	Yes
	Chazki	From S/.6.50	From S/.9.90	From S/.7.90	From S/.6.90	No	No	Yes	Yes	Yes	No
	Dinet	From S/.9.00	From S/.11.00	From S/.8.00	From S/.8.00	From S/.11.70	No	Yes	Yes	Yes	Yes
	Filly	No	From S/.9.60	From S/.8.00	From S/.8.00	Yes	Yes	Yes	Yes	Yes	No
	ZN	From S/.12.90	From S/.8.90	From S/.8.90	From S/.8.90	No	No	Yes	Yes	Yes	Yes
	Nirex	From S/.9.90	From S/.12.50	From S/.9.50	From S/.7.50	No	No	Yes	Yes	Yes	Yes
Operators logistics	Olva	From S/.8.00	From S/.9.00	From S/.8.00	From S/.5.90	From S/.12.00	Yes	No	Yes	Yes	Yes
	Palmas	No	No	From S/.7.50	From S/.7.50	Yes	Yes	Yes	No	Yes	No
	Pickit	No	No	From S/.8.30	From S/.8.30	No	No	Yes	Yes	Yes	Yes
	Qayarix	From S/.14.00	From S/.12.00	From S/.10.00	From S/.9.50	From S/.16.00	From S/.55.00	Yes	Yes	Yes	Yes

	Scharff	From S/.8.10	No	From S/.6.80	No	From S/.7.40	From \$19.50	Yes	Yes	Yes	No
	Shalom	No	No	From S/.10.00	From S/.10.00	From S/.10.00	No	No	Yes	No	Yes
	Urbano	From S/.11.00	From S/.10.00	From S/.8.50	From S/.6.00	Yes	No	Yes	Yes	Yes	Yes
	YaVa!	From S/.7.50	From S/.10.50	From S/.8.50	From S/.6.50	No	No	No	Yes	Yes	Yes
Delivery apps with last mile service	Cabify	From S/.6.50	From S/.9.30	No	No	No	No	Yes	Yes	Yes	Yes
	Pedidos Ya	From S/.4.99	From S/.4.99	From S/.6.00	No	No	No	Yes	Yes	Yes	No

*Note.* Adapted from CAPECE, 2022. The time runs from when the merchant creates the order in the logistics operator's system.



Additionally, regarding the concerns of footwear producers about the elevated costs associated with establishing an online sales platform, shoes.pe will adopt a commission structure ranging from 6% to 14%, excluding delivery charges. It should be noted that this range of commissions is in line with current market rates for services included in the e-commerce platform such as Visa and Shopify, which are estimated at approximately 6%. Given the existing profit margins within the footwear sector, spanning from 50% to 100% (V. Florián, personal communication, July 19, 2023), the proposed commission rate stands as a judicious and accommodating proposition.

Comparatively evaluating this commission structure with that of well-established e-commerce entities like Linio and Juntoz, which command rates within the range of 8% to 20%, it becomes evident that the shoes.pe option exhibits favorable terms. Furthermore, in contrast to alternatives such as Mercado Libre, Dinner Club Mall, and shopstar.pe, which present commission rates ranging from 7% to 11% (Chavalier, 2022), the shoes.pe proposition holds its ground, demonstrating a level of comparability.

#### **4.3 Conclusions**

The qualitative analysis uncovered two significant challenges that deeply influence this transformation. First and foremost, the strong cultural attachment to traditional in-store sales among Trujillo's footwear manufacturers, stemming from historical practices and personal interactions, emphasizes the powerful sway of established norms. Secondly, the considerable gap in digital skills, coupled with limited familiarity with advanced tools like AR and e-commerce platforms, highlights the necessity for comprehensive education to navigate the evolving digital landscape.

Cultural considerations mirror the prevailing collective mindset in Peruvian culture, where trust and influence play crucial roles in shaping important decisions, emphasizing the

45

significance of word-of-mouth recommendations and respected leaders. At the same time, the quantitative analysis, as illuminated by the IMD Digital Competitiveness Ranking, brings to light Peru's challenges in terms of digital readiness and future preparedness, evident in lower scores for knowledge and skills. Nonetheless, the growing number of online shoppers, increased competitiveness, and rising e-commerce revenues underscore the urgency for businesses to adapt despite the existing digital disparities.

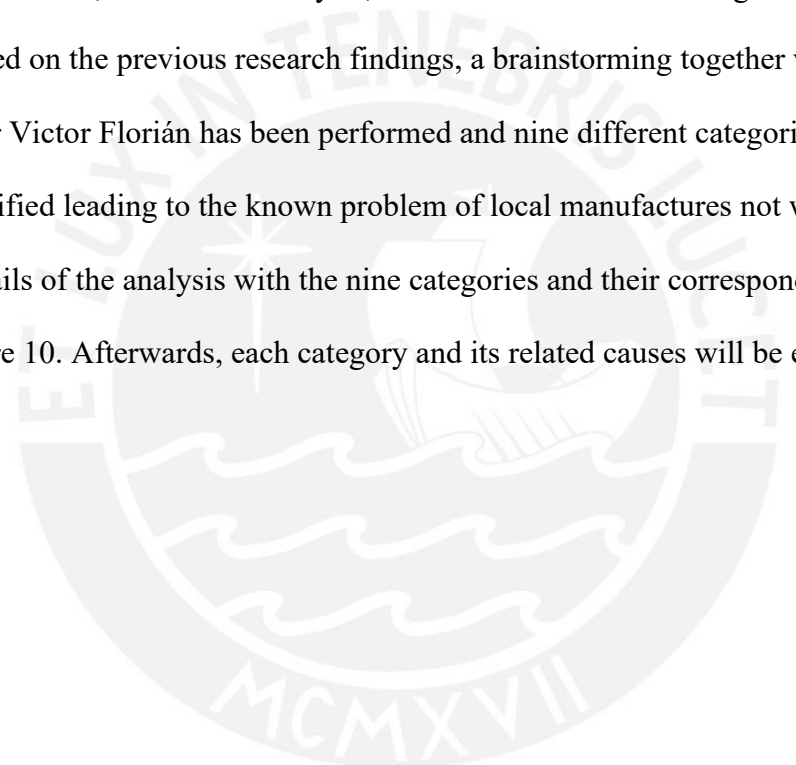
The shift in consumer behavior towards digital platforms, coupled with the rising preference for online shopping in the footwear sector, highlights the strategic significance of shoes.pe's nationwide online presence. However, the hurdles in integrating last-mile delivery services, as indicated by mixed signals among footwear manufacturers, emphasize the intricate dynamics at play in their assimilation into the digital landscape. In essence, this chapter has illuminated the multifaceted challenges and opportunities that shape the journey of local footwear manufacturers as they set foot on the path of online sales.

## **Chapter V: Root-Cause Analysis of the Problem**

A comprehensive root-cause analysis of the challenges faced by local footwear producers in transitioning to online selling will be presented. By delving into the underlying causes that hinder the adoption of e-commerce, the aim is to provide a deeper understanding of the factors contributing to the resistance observed within the industry.

### **5.1 Identified Causes**

To capture all causes contributing to the problem of convincing local footwear producers to sell online, a fish-bone analysis, also known as Ishikawa diagram, has been conducted. Based on the previous research findings, a brainstorming together with the company owner Victor Florián has been performed and nine different categories of causes have been identified leading to the known problem of local manufactures not wanting to sell online. The details of the analysis with the nine categories and their corresponding causes can be seen in Figure 10. Afterwards, each category and its related causes will be explained in more detail.



**Figure 10**

*Ishikawa Diagram*

**Regulations**

**Security  
Concerns**

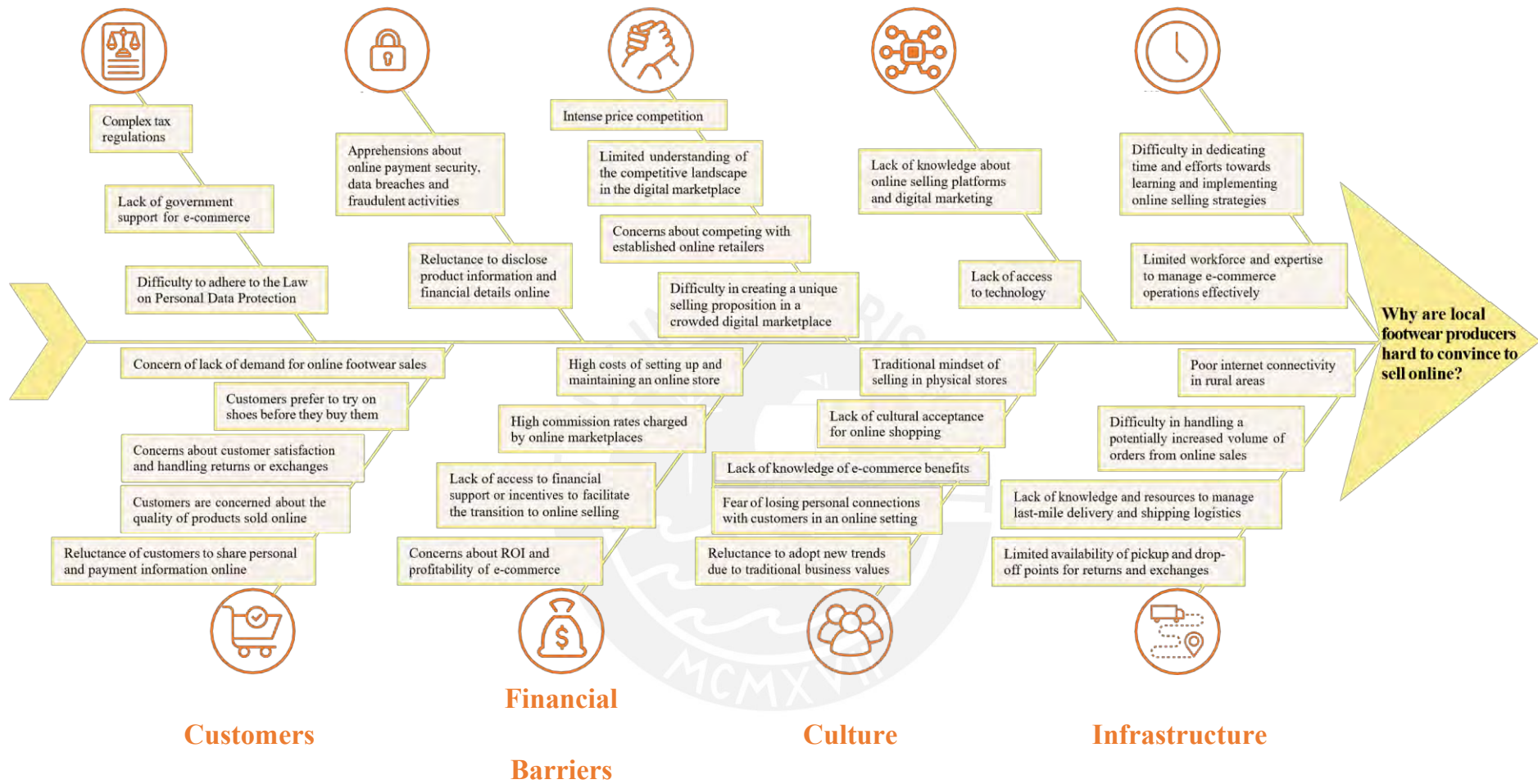
**Competition**

**Technology**

**Resource  
Constraints**







## Regulations

- Complex tax regulations: Navigating intricate tax requirements poses a barrier to seamless online operations.
- Lack of government support for e-commerce: Insufficient governmental assistance impedes the growth of online selling initiatives.
- Difficulty adhering to the Law on Personal Data Protection: Complying with data protection regulations adds complexity to online transactions.

## Security Concerns

- Apprehensions about online payment security, data breaches, and fraudulent activities: Consumer concerns about online security impact their willingness to engage in online transactions.
- Reluctance to disclose product information and financial details online: Fear of data exposure about footwear model and price details to competitors leading to a disadvantage for the local producers.

## Competition

- Intense price competition: Fierce pricing competition challenges profitability in the crowded digital marketplace.
- Limited understanding of the competitive landscape in the digital marketplace: Lack of awareness of digital competitors hinders effective positioning.
- Concerns about competing with established online retailers: Local producers' uncertainty in competing with established online brands limits their confidence.
- Difficulty in creating a unique selling proposition in a crowded digital market: Standing out amidst numerous online options proves to be a significant challenge.

## Technology

- Lack of knowledge about online selling platforms and digital marketing: Insufficient familiarity with digital tools hampers successful online engagement.
- Lack of access to technology: Limited availability of technology infrastructure such as internet access as well as limited access to essential technology like e-commerce platforms and unfamiliarity with digital tools obstruct local footwear producers' entry into online selling.

#### Resource Constraints

- Difficulty in dedicating time and efforts towards learning and implementing online selling strategies: Limited time and resources hinder effective strategy implementation.
- Limited workforce and expertise to manage e-commerce operations effectively: Insufficient skilled personnel limits the ability to navigate the complexities of online operations.

#### Customers

- Concerns about the lack of demand for online footwear sales: Producers' apprehension about market demand influences their reluctance to engage online.
- Customers prefer to try on shoes before they buy them: Consumer preference for physical product experience affects online adoption.
- Concerns about customer satisfaction and handling returns or exchanges: Apprehensions about managing customer expectations and returns impact online decision-making.
- Customers are concerned about the quality of products sold online: Doubts about online product quality influence consumer trust.

- Reluctance of customers to share personal and payment information online: Consumer concerns about data security influence their willingness to engage online.

#### Financial Barriers

- High costs of setting up and maintaining an online store: Financial challenges in launching and sustaining an online presence impact producers.
- High commission rates charged by online marketplaces: Elevated commission rates on digital platforms reduce profitability.
- Lack of access to financial support or incentives to facilitate the transition to online selling: Absence of financial assistance hinders smooth transition efforts.
- Concerns about ROI and profitability of e-commerce: Uncertainty regarding return on investment deters producers from embracing online channels.

#### Culture

- Traditional mindset of selling in physical stores: Cultural preference for physical sales practices affects the transition to digital platforms.
- Lack of cultural acceptance for online shopping: Limited cultural inclination towards online purchasing impacts adoption.
- Lack of knowledge of e-commerce benefits: Unawareness of the advantages of e-commerce inhibits the shift towards digital sales.
- Fear of losing personal connections with customers in an online setting: Concerns about losing interpersonal touch impact the adoption of online channels.
- Reluctance to adopt new trends due to traditional business values: Traditional business values and practices contribute to the resistance towards digital change.

#### Infrastructure

- Poor internet connectivity in rural areas: Inadequate internet access in certain regions limits online engagement.
- Difficulty in handling a potentially increased volume of orders from online sales: Managing higher order volumes challenges logistical capacities.
- Lack of knowledge and resources to manage last-mile delivery and shipping logistics: Insufficient knowledge of delivery logistics hampers online sales.
- Limited availability of pickup and drop-off points for returns and exchanges: Inadequate facilities for returns and exchanges influence online reluctance.

These are all causes clustered in nine categories that have been identified contributing to the problem of convincing local footwear producers to sell online. In the next step, they are going to be assessed in order to identify the main causes.

## 5.2 Main Causes of the Problem

After all causes have been identified using the Ishikawa diagram, they will be assessed to prioritize the main causes using three criteria – impact, frequency, and feasibility. The impact refers to how much the root cause affects the problem and the desired outcome, while the frequency indicates how often the root cause occurs or triggers the problem. How easy or difficult it is to address the root cause with available resources and constraints is covered in the feasibility criterion. The three criteria will be weighted equally and have been selected in cooperation with Victor Florián, the owner of Servicios Delivery EIRL. Table shows the assessment of the causes using the mentioned criteria and indicates a ranking.

### Table 3

*Assessment of Main Causes*

Causes	Impact (1-3)	Frequency (1-3)	Feasibility (1-3)	Overall	Rank
Technology	3	3	2	8	2
Culture	3	3	3	9	1
Regulations	2	2	1	5	9
Infrastructure	2	2	2	6	4
Financial Barriers	2	2	2	6	4
Customers	2	3	1	6	4
Competition	2	2	2	6	4
Security Concerns	2	2	2	6	4
Resource Constraints	3	2	2	7	3

*Note.* Scores: 3: High impact, frequent occurrence, and highly feasible to address; 2: Moderate impact, moderate occurrence, and somewhat feasible to address; 1: Low impact, infrequent occurrence, and difficult to address; 0: Negligible impact, rare occurrence, and not feasible to address.

The outcomes of the analysis highlight three key factors that have emerged as significant contributors to the challenge of convincing local footwear producers to transition to online sales: Technology, Resource Constraints, and Culture. These causes have demonstrated a notable combination of high impact, frequent occurrence, and a reasonable degree of feasibility to address.

**Technology:** The high impact and frequency associated with the Technology factor suggest that local footwear producers may lack adequate knowledge about online selling platforms and digital marketing strategies. This knowledge gap could inhibit their confidence and willingness to engage in online sales ventures. However, the moderate feasibility score implies that with proper training and support, these gaps can be bridged, allowing producers to grasp the potential benefits of e-commerce and adopt relevant technologies effectively.

**Resource Constraints:** The Resource Constraints factor has received a high impact and frequency score, indicating that limited workforce and expertise are common challenges

faced by local footwear producers. This scarcity of resources could hinder their ability to navigate the complexities of online sales and effectively implement e-commerce strategies. Nevertheless, the relatively moderate feasibility score suggests that by offering accessible and tailored training programs, producers could enhance their skill sets and overcome these limitations.

**Culture:** Culture has emerged as a prominent contributor, garnering high impact and frequency scores. The traditional mindset of selling in physical stores, coupled with the lack of cultural acceptance for online shopping, underscores the deep-rooted practices that local footwear producers hold dear. However, the positive feasibility score implies that cultural shifts, though challenging, are possible through targeted interventions, such as fostering awareness about the benefits of online selling while retaining the personalized touch valued by the culture.

### **5.3 Conclusions**

To sum up, the root-cause analysis highlights three primary factors hindering local footwear producers' transition to online sales: Technology, Resource Constraints, and Culture. These factors have both a significant impact and frequency of occurrence, with a reasonable feasibility for intervention. Addressing these challenges strategically can empower the industry to embrace digital selling while respecting its cultural nuances. A comprehensive approach will lay the foundation for a successful and sustainable integration of online sales within the local footwear market.

## **Chapter VI: Assessed Solution Alternatives**

Based on the identified main causes of the problem, in the following chapter alternatives to solve the problem will be developed together with the company and afterwards analyzed and assessed based on selected criteria. Subsequently, a conclusion will be drawn.

## 6.1 Alternatives to Solve the Problem

Different alternatives to address the primary causes hindering the local footwear producers to embrace online selling have been developed as well as discussed with Victor Florián and will be presented in the following section.

### 6.1.1 *Technology*

#### Live Training for Technology Usage:

Shoes.pe recognizes the pivotal role of technology literacy. In response, the company could do in-depth training sessions. These sessions will empower producers with the necessary skills to navigate digital tools and online platforms. Through hands-on guidance, producers will become well-versed in the digital landscape, fostering a seamless transition (Apatiga & Vu, n.d.). Considering the fact that there is a difficulty in gathering several producers together at the same time, the sessions can be conducted in small groups or even one on one to pay attention to the producers' resource constraints.

#### Clear Booklet with Instructions:

Understanding the importance of accessible resources, shoes.pe could offer a clear and concise guidebook. This step-by-step booklet will provide producers with comprehensive instructions on effectively utilizing technology for online sales. It ensures a user-friendly approach, simplifying the intricacies of online selling.

#### Guided Adaptation Process:

A personalized approach to adaptation may increase the likelihood of success (Apatiga & Vu, n.d.). By providing individualized support over an initial period, approximately one month, producers could receive close personal guidance. This mentorship aims to ease the adjustment to online sales, offering immediate assistance and fostering a sense of assurance.

#### Gradual Integration of AR:



Recognizing the potential complexity of AR, shoes.pe could consider a phased approach. The gradual introduction of AR solutions at a later stage ensures that producers can acclimate to the online platform before embracing advanced features, thereby enhancing the overall experience.

#### Technology-Savvy Focus:

To streamline the adoption process, shoes.pe could collaborate exclusively with producers who are already technologically adept. This targeted approach allows for a smoother transition and minimizes potential hurdles related to technology.

### **6.1.2 Resource Constraints**

#### Streamlined Process Design:

Acknowledging the resource constraints that producers may face, shoes.pe could aim for a simplified process design. This streamlined approach ensures that the online selling process demands minimal effort from producers, encouraging wider participation.

#### Shipping Assistance:

Shoes.pe understands the complexities of shipping logistics as they already operate successfully with MiMercado.Delivery. To alleviate related concerns of the local footwear producers, the company could offer expert guidance and support throughout the shipping process. This ensures that producers can confidently manage the crucial aspect of product delivery.

#### Online Payment Responsibility:

Financial barriers and concerns about online payment could be addressed through a unique solution: Shoes.pe could take the responsibility for online payment processing. By handling this aspect, the company provides reassurance and convenience to producers, allowing them to focus on their core expertise.

### 6.1.3 *Culture*

#### Communication of Advantages:

Recognizing the significance of effective communication, shoes.pe could introduce a series of workshops and targeted communication efforts. These initiatives would be designed to comprehensively communicate the benefits of online selling, addressing concerns, and underscoring its value. Additionally, they should enforce dialogue and create an opportunity to clarify any questions.

#### Quick Wins:

Shoes.pe could offer a compelling incentive: guaranteed minimum online sales for an initial period, such as some weeks or a month. This "quick win" approach offers tangible outcomes, showcasing the feasibility and benefits of the online platform from the outset. The quantity of the guaranteed minimum sales will be defined by the study of other cases, while shoes.pe is going to perform different marketing efforts to achieve the respective quantity of sales. In case, the guarantee cannot be fulfilled, shoes.pe will buy the quantity accordingly and put it on stock.

#### Show Success Examples with Peruvian Entrepreneurs:

Leveraging the power of success stories, shoes.pe could collaborate with renowned Peruvian entrepreneurs who have triumphed in the realm of e-commerce. By showcasing these achievements, local producers will get inspired and motivated to embark on their own online selling journey.

#### Start with Strategic Producers and Showcase Success:

Shoes.pe could focus on a tactical start by selecting a small group of two or three footwear producers strategically. These pioneers will establish successful cases, creating a blueprint for future involvement and encouraging broader local producer participation.

In combining a selection of these thoroughly crafted solutions, shoes.pe can try to overcome the challenges that local footwear producers encounter and introduce them to a new era of flourishing online sales. Through the strategic application of technology, resource facilitation, and cultural alignment, shoes.pe aims to empower local producers and catalyze the evolution of the local footwear industry in Peru.

## **6.2 Assessment of Alternatives**

Each of the alternative solutions has distinctive advantages and disadvantages. In the realm of technology adoption, the prospect of live training sessions offers producers explicit assistance in navigating digital tools. While promising, this approach demands a significant investment of time. Alternatively, the provision of a clear instructional booklet serves as a more time-efficient solution, although it may lack the depth of personalized training. Furthermore, the integration of AR solutions is proposed for a later stage, designed to reduce initial complexity. While this pragmatic approach requires careful consideration of the loss of first-mover advantage, it presents a way to ease producers into the online landscape. Alternatively, the strategic choice to work exclusively with technology-savvy producers streamlines collaboration and resource allocation. However, it must be weighed against the potential to inadvertently widen the technology gap among producers. To facilitate a seamless transition, the concept of offering a guided adaptation process with close support over approximately a month fosters strong producer relationships. Yet, this solution entails investments in both human and capital resources.

Turning to the constraints of resources, a solution is presented through the design of an effortless process coupled with shipping assistance. While this eases the burden on producers, it requires a heightened investment from shoes.pe. Similarly, the assumption of responsibility for online payments seeks to alleviate financial concerns for producers, albeit transferring higher risk and resource demand onto the company.

Cultural alignment is addressed through a variety of avenues, such as workshops and showcasing success stories of prominent Peruvian entrepreneurs in e-commerce. These approaches provide opportunities for information dissemination and motivation, though their impact may vary. Moreover, the idea of guaranteed quick wins has the power to attract local producers as it takes away the risk from them. However, the risk gets shifted to shoes.pe as the company will have to invest resources to buy the shoes if the promise remains unfulfilled. Furthermore, a strategic starting point, involving a selected group of producers, is proposed to initiate the process and pave the way for wider involvement. While this approach elongates the timeline, it promises reduced complexity and a trajectory for successful expansion.

To eliminate unviable options and select the best solution possible for the company, the different alternatives will be assessed based on the same weighted criteria. In cooperation with the company owner Victor Florián, the following five criteria with respective weights have been selected and will be applied to assess the solution alternatives.

- Cost / Investment (25%): Cost-effectiveness is a pivotal factor in assessing solutions. Each solution's cost-benefit analysis determines if its benefits outweigh the implementation cost.
- Feasibility / Ease of Implementation (25%): Feasibility encompasses technical, economic, legal, and cultural aspects. Solutions must be practically, logically, and understandably implementable, considering resistance to change stemming from established processes and habits. This criterion gauges practicability and considers potential barriers to implementation.
- Short-term Impact (25%): Short-term impact assesses the solution's ability to resolve the problem of convincing the local footwear producers. It assesses the extent to which a solution comprehensively addresses the problem,

considering whether it is an all-in-one remedy or a combination of smaller solutions. The scope, impact, and suitability of each solution are examined.

- Sustainability (15%): The reliability and long-term sustainability of a solution are paramount. It evaluates a solution's endurance, consistency, and ability to withstand the test of time. Questions center on the solution's longevity, avoiding potential breakdowns or failures.

- Ease of Follow-Up (10%): Implementation practicality and follow-up ease are key for successful adoption. Can the solution be effectively monitored and maintained by internal or external stakeholders? The necessity of specialized insight and its short- and long-term feasibility are crucial considerations. Table shows the evaluation of the alternative solutions based on the selected criteria as well as a total score and ranking of each solution.

**Table 4**

*Assessment of Alternative Solutions*

Alternatives	Cost / Investment (25%)	Feasibility / Ease of implementation (25%)	Short-term Impact (25%)	Sustainability (15%)	Ease of follow up (10%)	Total score	Rank
<b>Technology</b>							
Live training for technology usage	7	7	9	8	8	7.75	3
Clear booklet with instructions	8	9	6	7	7	7.5	6
Close personal adaption guide for 1 month	6	7	9	8	7	7.4	7
Implement AR solution later	8	4	8	6	8	6.7	9
Work only with technology-savvy producers	8	6	4	6	6	6	10
<b>Resource Constraints</b>							
Easy process design and shipping support	7	9	9	9	9	8.5	1
Responsibility for online payments	5	8	7	7	8	6.85	8
<b>Culture</b>							
Communication of advantages via workshops, mail etc.	8	7	8	7	8	7.6	5
Quick wins with guaranteed sales minimum	7	8	9	6	8	7.7	4
Show success examples with Peruvian entrepreneurs	6	7	9	8	8	7.5	6
Start with strategic producers and showcase success	9	8	8	8	7	8.15	2

*Note.* 10 = highest and best score possible on each criterion. 0 = lowest and worst score possible on each criterion.

As the problem is multicausal and cannot be mitigated by only one solution, a combination of measures should be implemented. Based on the structured assessment of the presented alternatives, the best solutions, that can and should be implemented as a combination, are the following:

- Easy process design and shipping support
- Start with strategic producers and showcase success
- Live training for technology usage
- Quick wins with guaranteed sales minimum

### 6.3 Conclusions

After a thorough assessment of various solution alternatives, a promising direction has emerged for shoes.pe's endeavor. The selected approach involves a combination of four different measures addressing the main causes in the field of technology, culture, and resource constraints:

**Easy Process Design and Shipping Support:** This solution streamlines processes and offers vital shipping assistance, easing the burden on producers while requiring a heightened investment from the company.

**Start with Strategic Producers and Showcase Success:** Initiating with strategic producers and showcasing their achievements exemplifies potential benefits, cultivating gradual support and sustained triumph.

**Live Training for Technology Usage:** Offering personalized training in technology adoption facilitates a smoother transition and minimizes resistance. The direct guidance and education provided through this solution hold promise in overcoming hurdles.

**Quick Wins with Guaranteed Sales Minimum:** The introduction of guaranteed minimum online sales for a specified duration showcases immediate benefits. This strategy

provides a tangible incentive, building trust and demonstrating the potential of the digital platform to yield tangible results.

By incorporating these strategies, shoes.pe can aim to achieve a well-rounded and effective transformation. This integrated approach is promising to solve the problem of convincing the local footwear producers to sell online. In this way, the company can envision a streamlined and agile operation, enabling sustainable growth and prosperity.



## **Chapter VII: Proposed Solution**

In the pursuit of addressing the core challenges faced by shoes.pe, a comprehensive exploration of potential solutions has concluded in the identification of four strategic approaches. Each solution has been meticulously crafted to target the root causes of the problem and pave the way for its effective resolution. In the following part, the solutions will be described in detail.

### **7.1 Easy Process Design and Shipping Support**

This solution focuses on streamlining the process of transitioning local footwear producers into the realm of online sales. By offering an effortless and user-friendly design, producers are empowered to engage in online selling with minimal effort. A comprehensive step-by-step guide ensures that producers can seamlessly navigate the platform and showcase their products. Additionally, the provision of shipping support directly addresses the logistical challenge that producers may face. The goal is to simplify and automate the process as best as possible for the local footwear producers minimizing the time needed to register and maintain their online presence on the platform. This includes a comprehensive form to capture all necessary information as well as taking care of the initial product pictures and design of the product entries online. Footwear producers simply need to fill out a form for the most important information needed and bring their shoe models to the Servicios Delivery EIRL office in Trujillo. This solution eliminates the root cause of reluctance due to perceived complexity and resource constraints. It provides producers with a clear path to online sales, effectively bridging the gap between traditional offline methods and the digital landscape.

### **7.2 Start with Strategic Producers and Showcase Success**

This solution adopts a strategic and incremental approach to overcome resistance to change. By selecting a group of technologically inclined and enthusiastic producers, the



organization establishes a foundation of success. These strategic producers become pioneers, showcasing tangible results and benefits of online selling. The strategic partners should be selected in cooperation with CITEccal Trujillo as the strategic advisor in this project having an overview as well as established connections to the local footwear producers. This approach addresses the cultural challenge of skepticism by providing concrete evidence of the advantages of embracing the digital marketplace. As success stories accumulate, a ripple effect is anticipated, motivating other local producers to follow suit. Considering the Peruvian culture that values trust, relationships, and collectivism a lot (Scroope, 2018), this solution directly tackles the root cause of cultural resistance, fostering a culture of innovation and adaptability.

### **7.3 Live Training for Technology Usage**

Recognizing the technology gap as a significant barrier, this solution places emphasis on education and empowerment. Through live training sessions, producers receive personalized guidance on how to effectively navigate online. Shoes.pe invites the local producers to a two-hour workshop in their office or another suitable location and teaches them in person step by step how to use the platform and handle all related activities. Every producer will be able to click through the steps himself while being able to ask questions or address any concerns. Like this, the learning experience can be maximized as they get not only taught but can also try out themselves (Apatiga & Vu, n.d.). This solution addresses the root cause of technological hesitance by building producers' confidence and competence in digital tools. By offering direct assistance, this solution instills a sense of readiness and competence, enabling producers to overcome their apprehensions and engage confidently in online sales.

### **7.4 Quick Wins with Guaranteed Sales Minimum**

A pivotal solution involves offering local footwear producers a guaranteed minimum level of online sales for a defined period. This strategy provides immediate benefits, demonstrating the potential of the digital platform to generate revenue. Although this guarantee implies a certain risk for shoes.pe, Victor Florián is confident to be able to fulfill the guarantee with the help of a strong marketing campaign leading to good results (V. Florián, personal communication, August 17, 2023). Furthermore, it is creating an effective incentive for more producers to join the online platform immediately. By experiencing quick successes, producers gain confidence and see the value of online selling. This approach not only addresses skepticism but also motivates producers, bridging the gap between traditional and digital selling methods. It effectively tackles cultural and technological barriers, fostering a strong foundation for successful online engagement.

## **7.5 Conclusions**

In summary, each proposed solution is a strategic and targeted response to the underlying challenges. These solutions collectively eliminate root causes by simplifying the process, demonstrating success, enhancing technological confidence, and fostering a culture of understanding. The synergy of these solutions forms a comprehensive approach that not only addresses the problem at its core but also positions shoes.pe for sustained growth and success in the dynamic online marketplace.

## **Chapter VIII: Implementation Plan and Key Success Factors**

The following chapter will delve into the details about the activities needed for implementing each of the four proposed solutions considering milestones and budget. The suggested sequence of actions will be presented in a comprehensive Gantt chart providing a holistic roadmap for shoes.pe. Additionally, key success factors in form of enablers as well as risks will be discussed and countermeasures will be developed.

## 8.1 Activities

In the following sub-chapters, the activities necessary for implementing each solution successfully are described in detail including an estimation of budget (working hours) needed. Additionally, milestones are highlighted, and responsibilities defined. Due to a lack of availability from the company representative to discuss this topic, the responsibilities could not yet be assigned to specific people. However, functional areas have been assigned.

### 8.1.1 *Easy Process Design and Shipping Support*

To ensure the successful implementation of the "Easy Process Design and Shipping Support" solution, a series of carefully planned activities are essential. It begins with a thorough analysis of the existing online sales processes, diving deep into the workflow to identify key areas that require enhancement. This initial phase, estimated to take around 15 hours, aims to uncover bottlenecks and potential optimization avenues, setting the foundation for process improvement.

A critical aspect of this solution involves close collaboration with the logistics team. Approximately 10 hours will be dedicated to working hand-in-hand with the logistics experts, comprehending their requirements, and gaining insights into shipping-related challenges. This alignment aims to ensure that the new process design harmoniously integrates with the capabilities of external logistics providers.

The subsequent phase focuses on designing a streamlined process that is efficient and user-friendly. Approximately 20 hours will be allocated to this endeavor, which involves crafting process flowcharts, defining clear roles, and outlining responsibilities. The process should include all communication with the producers, how they register their shoes on the shoes.pe website as well as how the payment, shipping, and return process will look like. Inputs from the local footwear producers, logistics experts, and other stakeholders will shape this refurbished process, enhancing its effectiveness.

To complement the streamlined process, a comprehensive shipping support plan will be developed, demanding about 10 hours of effort. This plan will encompass guidelines for packaging, labeling, and addressing common shipping challenges. This step is crucial to facilitate a seamless shipping experience for producers in collaboration with external logistics providers.

Recognizing the importance of proper training, approximately 15 hours will be devoted to training staff and other key stakeholders like CITEccal on the new process. This includes conducting informative training sessions to educate the team about the changes, walking them through the streamlined steps, and addressing any inquiries they may have. Effective training is pivotal to ensure a smooth transition to the new process.

Lastly, the implementation of the process changes will be executed with precision. This phase, estimated to require around 30 hours, entails closely monitoring the implementation across the organization and other involved parties. This cautious oversight guarantees adherence to the newly designed guidelines while proactively identifying areas that may necessitate further refinement.

Collectively, these activities form a cohesive and comprehensive approach to enhance the online sales process and provide robust shipping support. In total, approximately 100 working hours are needed to implement this solution. These hours need to be allocated from different areas. The technological experts need to take care of the technical part, while the commercial experts contribute their business operations expertise including shipping. Important milestones should be taken into account after step four, when the process has been fully developed, as well as after step six, when the process has been implemented.

### ***8.1.2 Start with Strategic Producers and Showcase Success***

The solution "Start with Strategic Producers and Showcase Success" involves a several activities aimed at leveraging the success of a selected group of local producers to inspire and encourage others to embrace online sales:

The foundation of this solution is laid by defining transparent and well-defined criteria to evaluate potential local footwear producers. Factors such as product quality, capacity, reliability, and willingness to adopt online sales channels are meticulously outlined to ensure the right partners are chosen. Approximately 10 hours are dedicated to establishing relevant criteria.

Building on the criteria, a handful of local producers will be identified who align seamlessly with shoes.pe's vision and are willing to pioneer online sales. These early adopters, who should be selected within approximately 10 hours, will become the role models of success for others.

With the selected producers, a formal partnership agreement is developed within about 15 hours working time, outlining the terms and conditions that will govern the collaboration between the company and the chosen producers. Responsibilities, revenue sharing, and commitments are all meticulously detailed to foster mutual understanding.

Afterwards, approximately 10 hours are estimated for defining clear and quantifiable key performance indicators (KPIs) which are crucial to gauge the effectiveness of the partnership and online sales initiative. Metrics like sales growth, customer feedback, and producer satisfaction set the benchmark for success.

Once the producers are selected, a close collaboration with the chosen manufactures on the joint goals ensures that their business strategies are seamlessly aligned with the online sales platform. Discussions around product offerings, pricing strategies, and efficient online order management are estimated to take around 20 hours.

For the activity of implementing the online sales for the strategic producers about 25 hours are dedicated. This involves creating tailored profiles on the website, listing products, and integrating the necessary payment and order processing systems.

The heart of the solution lies in gathering real data and success stories from the strategic producers who have successfully embraced online sales. These compelling narratives are showcased as testimonials of achievement, serving as a source of inspiration for other local producers. Hence, the success will be communicated through personal meetings, newsletter, and word of mouth. Considering the fact, that the community is very trust- and relationship-based, the most effective communication will be through personal communication and word-of-mouth involving different stakeholders including CITEccal. If the other producers know that they can trust the success stories, it will be more likely that they join shoes.pe as well. Approximately 15 working hours from shoes.pe should be dedicated for this activity.

Consequently, armed with success stories and a well-established framework, the process of onboarding more local producers will be the next activity. Outreach efforts, training sessions, and continuous support as indicated in the complementing solutions are provided to ensure a smooth transition, thereby fostering a community of empowered producers. The estimated time needed for onboarding more producers is heavily dependent on the number of manufactures. For simplification reasons for now it is estimated to be around 30 hours.

These eight activities form a cohesive strategy to not only initiate online sales among a strategic few but also pave the way for widespread adoption across the producer community. This solution is marked by two milestones: one after the selection of the strategic producers and one more after the successful integration of those into shoes.pe. In total, about

135 working hours will be needed to implement this strategy. Hereby, the general management should work together with the commercial experts to work on the selection of producers and the strategy as well as the showcasing of success afterwards.

### **8.1.3 *Live Training for Technology Usage***

Navigating the transition to online sales through effective training necessitates an accurately planned journey. The attempt to equip producers with the necessary technological proficiency is planned as follows:

The initial phase involves developing a comprehensive curriculum within approximately 15 hours. This foundational step entails outlining the various program components, defining specific learning objectives, and structuring the sequence of training modules.

As the curriculum takes shape, individual training modules come into focus. This step encompasses the design of content, development of related training materials, and incorporation of interactive elements and multimedia resources to ensure a holistic and engaging learning experience. Around 20 working hours are estimated to complete this activity.

A key to successful training lies in the selection of adept trainers. Hence, individuals well-versed in technology and online sales processes need to be identified within shoes.pe, taking about 10 working hours. These trainers not only possess technological expertise in the particular process built up by shoes.pe but also excel in effective communication and teaching skills.

Once trainers have been identified, suitable session timings, dates, and durations need to be determined in alignment with the availability of trainers and the convenience of participants. Taking into account the scarce time resources of the local producers, shoes.pe

should offer a flexible scheduling and small groups of participants. The scheduling should require about five hours of working.

An additional pillar of effective training is the availability of quality materials. Essential resources in form of training materials, including comprehensive presentations, detailed guides, informative manuals, and interactive tools are crucial for facilitating a seamless training experience for the new online sales channel of shoes.pe. Approximately 15 hours are estimated to prepare the materials for the in-person training.

To empower instructors with the right set of skills, an effective train-the-trainer training needs to be conducted. Within about 10 working hours, instructors receive specialized qualification that not only makes them experts on the new process of shoes.pe but also equips them with the art of delivering content effectively, engaging participants, adeptly addressing queries, and fostering an interactive learning atmosphere.

Once the trainers are qualified, the central part of conducting the training sessions with about three hours per session can follow. Trainers facilitate these sessions, ensuring the coverage of prescribed topics, engaging local producers, and promptly addressing any emerging challenges. As mentioned before, the sessions will be held in small groups both recognizing the limited availability of local manufactures and considering the enhanced learning experience in a small group of participants.

Afterwards, the goal of continuous improvement requires gathering feedback and adjust the training approach accordingly, taking about 10 working hours. After the training sessions, valuable feedback from participants and trainers collected through personal communication as well as structured surveys determines strategic refinements, enabling the optimization of the overall training delivery approach of shoes.pe.

This set of activities ensures the successful implementation of live training for technology usage with an estimated amount of 85 working hours needed plus three hours per



each training session. Hence, the resources needed depend a lot on the number of trainings being conducted. The main responsibility of implementing this solution lays with the general management closely working together with the technical experts for designing the training. Milestones of this solution are to be incorporated after the preparation of the training materials has been completed as well as after the training sessions have been conducted.

#### **8.1.4 Quick Wins with Guaranteed Sales Minimum**

The solution “Quick Wins with Guaranteed Sales Minimum” requires a set of activities in order to ensure a successful implementation. The following steps are necessary as described:

First of all, approximately 15 hours should be dedicated to developing a strategy around the sales guarantee. The purpose, objectives, and anticipated outcomes of the guaranteed sales minimum approach need to be carefully defined in alignment with different stakeholders like the local producers and CITEccal. Additionally, shoes.pe should align this strategy with broader business goals.

Following, the sales minimum and the duration for achieving it need to be defined within about 10 hours of working time. The foundation for success is grounded in clear target setting. Shoes.pe needs to ensure that the targets are reasonable in terms of timing and likelihood. They should not pose a too high risk to shoes.pe by being too high but should be still high enough to motivate local producers to join the online platform serving as a catalyst for their engagement.

Afterwards, about 15 working hours are estimated for shoes.pe to approach the local producers motivating them to participate in the initiative. Engaging producers is key, requiring direct outreach to present the sales guarantee program's benefits. Addressing concerns, highlighting benefits, and awaking enthusiasm are fundamental aspects of this interaction.

Once producers are on board, the quick wins campaign can be launched.

Approximately 20 hours should be dedicated for an accompanying marketing campaign that is supposed to ensure meeting the sales targets. Spotlighting the initiative's benefits and showcasing the success of participating producers increase its attractiveness, inviting broader participation among local manufacturers.

To ensure continuous assessment, about 10 hours are estimated to monitor the results and sales metrics of the campaign and participating producers. Crucial metrics like sales volume, generated revenue, and valuable customer feedback, should be precisely tracked and any implications should be derived. Both activities, the campaign and the monitoring, require the estimated working hours over a longer period of time approximating four weeks.

Related to following up, additional support for the local producers should be offered to keep up their motivation to reach the sales minimum by their own efforts. This activity is estimated to take about 10 hours.

Success and effectiveness should be assessed by analyzing results and gather producer feedback taking about 10 working hours. Especially the feedback from the manufacturers is valuable as it gives indication of experiences and challenges. These insights determine success and enable further improvement.

In a next step, these insights can be used to assess overall success against its objectives and develop a plan for continued implementation. Insights gained from both outcomes and producer feedback should shape the direction for future implementations. For this evaluation activity, approximately 10 hours of working time should be calculated.

Overall, the mentioned activities, requiring a total of 100 working hours, are important for a successful implementation of the quick wins campaign with milestones before the launch of the campaign and afterwards. Mainly the commercial as well as general management experts will have to work on this solution to set the right sales target and then successfully run the campaign.

### 8.1.5 Overall Budget

The different solutions including the respective activities require a lot of human resources in terms of working hours as indicated above in detail. These requirements add up to a total of 441 working hours assuming seven live training sessions à three hours are held. According to the owner Victor Florián, the average salary of the project team is S/1,025 per month which is used to calculate the budget (V. Florián, personal communication, September 5, 2023). This runs up to S/2,511.25 for 441 working hours considering 40 working hours per week and 4.5 weeks per month. As there are a lot of uncertainties possibly causing delays or additional work for the project team, contingencies are calculated with a deterministic method as 7.5% of the budget (Bakhshi & Touran, 2014), leading to a total estimated budget of S/2,699. The details of the overall budget are presented in Table .

**Table 5**

#### *Overall Budget*

Proposed Solution	Required working hours	Financial equivalent
Easy process design and shipping support	100 h	~S/569
Start with strategic producers and showcase success	135 h	~S/769
Live training for technology usage	106 h	~S/604
Quick wins with guaranteed sales minimum	100 h	~S/569
Contingencies (7.5%)	~ 33 h	~S/188
Overall budget needed	~ 474 h	~S/2,699

### 8.2 Implementation Gantt Chart

The implementation of the proposed solutions is carefully orchestrated through a structured Gantt chart, spanning a four-months period as visualized in Figure 11. The sequence of tasks in the Gantt chart reflects a deliberate strategy that maximizes the effectiveness of each solution while ensuring a smooth transition across multiple phases. The order of implementation is driven by a logical flow that ensures a strong foundation is laid

before progressing to more advanced stages, paying attention to interdependencies. For instance, addressing the streamlined process design and shipping support first provides the groundwork for subsequent solutions. Hence, the implementation of the other three solutions only starts after the process has been designed.

Significant milestones structure the timeline, indicating the completion of pivotal tasks. These moments mark crucial achievements that pave the way for subsequent phases. For example, the establishment of criteria for supplier selection and the creation of partnership agreements are milestone markers, signifying a solid foundation for the strategic producer phase.

Furthermore, the Gantt chart is designed with flexibility in mind. It acknowledges that real-world implementations may require adjustments and adaptations. In case the availability of shoes.pe's project team changes or there are delays in a certain activities, shoes.pe can decide to move forward with a set of activities for another solution as long as the sequence within each solution is kept. This flexibility empowers the team to address unforeseen challenges, incorporate feedback, and fine-tune strategies as needed, ensuring agility.

The phased approach to implementation strikes a balance between the urgency of achieving results and the need for comprehensive execution as well as the available resources from the shoes.pe team. The owner Victor Florián confirmed more than 200 working hours being available within one month accumulated from five team members working on the project. Considering the four proposed solutions and the respective estimated budget, this does not pose a challenge to implementing the four solutions as suggested in the presented implementation plan.

Additionally, the implementation Gantt chart gives an indication on the cash flow of budget. As the implementation of the proposed solutions mainly requires time resources from the shoes.pe team, it equals the budget needed for the realization of the plan. In the first

month, the budget requirement is lower since only the first solution is going to be worked on (S/313). Afterwards, S/997 are needed for the second month, S/655 for the third and S/547 for the fourth month.

Throughout the timeline, a core emphasis is placed on continuous monitoring and reporting together with key stakeholders like CITEccal. This iterative feedback loop ensures that progress aligns with expectations. Monitoring allows for the timely identification of potential deviations, while reporting facilitates transparency and accountability.

In summary, the Gantt chart orchestrates the implementation of the solutions considering milestones, flexibility, as well as monitoring and reporting. This dynamic roadmap drives shoes.pe toward successful implementation of the online platform while remaining adaptable to the evolving landscape.

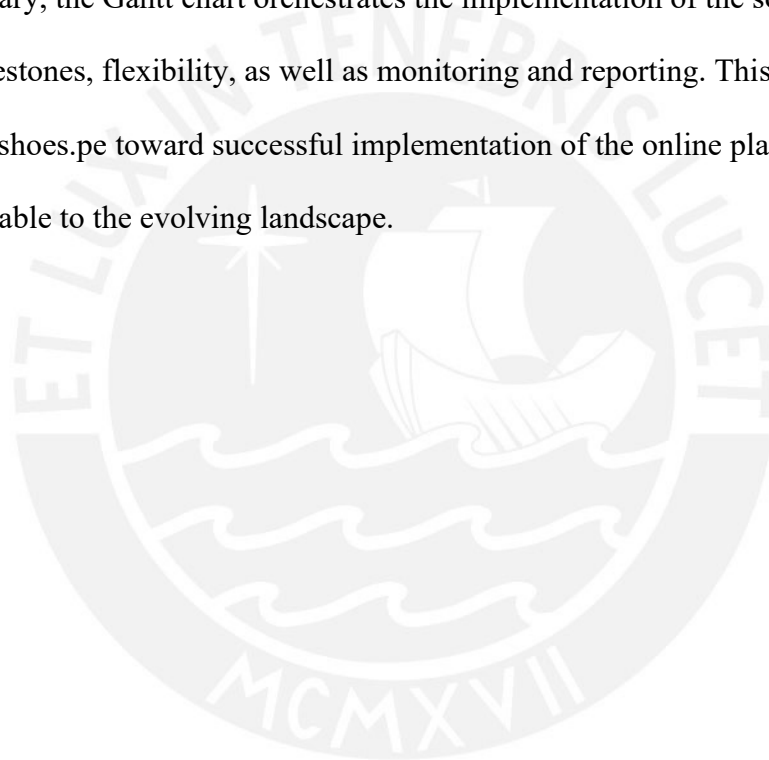
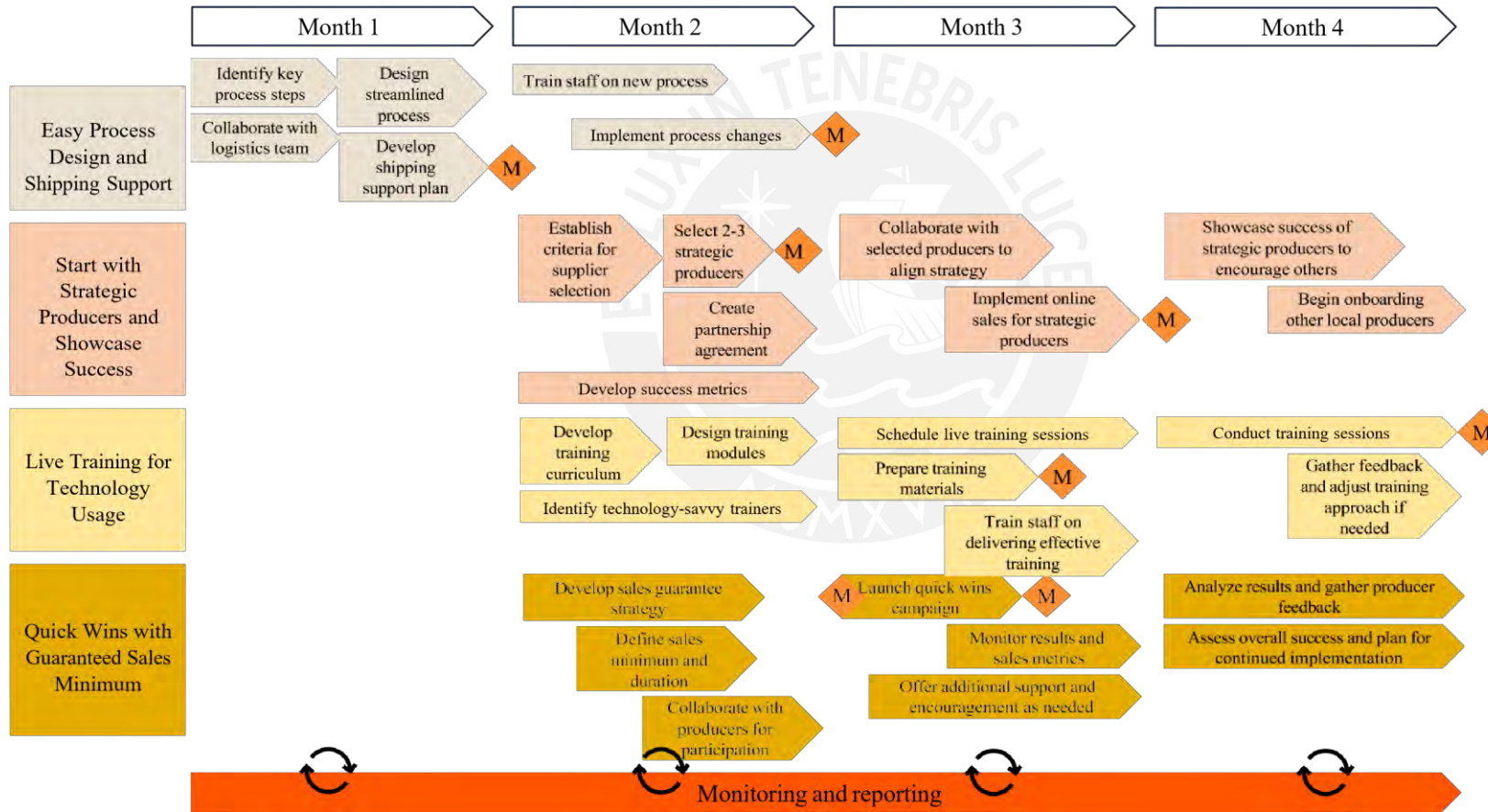


Figure 11

Implementation Gantt Chart



Estimated hours  
needed

55h  
~S/313

$45h + 45h + 45h + 40h = 175h$   
~S/997

$45h + 30h + 40h = 115h$   
~S/655

$45h + 21h + 20h = 96h$   
~S/547

*Note.* “M” stands for milestone.



## 8.3 Key Success Factors

### 8.3.1 *Enablers*

The success of each proposed solution is influenced by a set of enablers that collectively empower the organization to achieve its objectives and overcome challenges:

For the "Easy Process Design and Shipping Support" solution, a user-friendly interface is important. This involves the development of an online platform that minimizes the efforts required from producers to list and manage their products. Complementing this is the provision of clear shipping guidelines, ensuring that producers have comprehensive instructions to facilitate seamless product delivery. Collaboration with efficient logistics partners guarantees timely and reliable shipping, while effective communication channels are available to address any related concerns.

The "Start with Strategic Producers and Showcase Success" solution thrives on strategic selection and strong partnerships. Identification of local producers that align with the project's goals is crucial, and forging robust partnership agreements ensures mutual commitment and collaboration. Effective marketing efforts spotlight the success stories of these strategic producers, inspiring others and generating interest. Furthermore, the implementation is guided by defined metrics and continuous monitoring to measure progress.

In the "Live Training for Technology Usage" solution, qualified trainers are key. Their deep knowledge of the technology and process as well as ability to effectively convey skills to producers are essential. Customized training sessions tailored to the needs and skill levels of producers ensure optimal learning outcomes. Moreover, the use of interactive methods, such as hands-on exercises, further enhances engagement and comprehension. Besides, provision of post-training support ensures producers receive ongoing assistance.



The success of the "Quick Wins with Guaranteed Sales Minimum" solution relies on transparent terms and an effective marketing campaign. Clearly outlining the terms and conditions of the guaranteed sales minimum builds trust and clarity with producers. The design of a compelling marketing campaign serves to attract producer participation and raise awareness. Consequently, the efficient implementation of the campaign delivers rapid results, demonstrating the feasibility of online selling. Importantly, a feedback loop is established to gather valuable insights from producers, refining the initiative based on their experiences.

Together, these enablers form the foundation upon which each solution is built, aligning efforts, fostering engagement, and driving the organization towards achieving its strategic goals.

### **8.3.2 Risks and Countermeasures**

As shoes.pe embarks on the implementation of the proposed solutions, a comprehensive approach to risk management is essential to ensure the smooth and successful execution of these initiatives. Each solution introduces its own set of challenges, and the organization must be prepared with well-thought-out countermeasures to address potential risks:

For the solution "Easy Process Design and Shipping Support", one medium to high potential risk lies in an unsuccessful adjustment phase for producers adapting to the new online process, despite its user-friendly interface. To address this, the company should offer comprehensive training and support during the onboarding process as indicated in the solution about live training, establishing a dedicated communication channel to promptly address any concerns. Furthermore, technical glitches or system failures within the online process could lead to frustration among producers with a medium likelihood. To counter this, thorough testing of the platform should be conducted prior to launch, with a dedicated technical support team ready to swiftly address any issues. The risk of integration challenges

with existing operations will be managed by providing detailed guidance and personalized assistance for seamless integration.

Considering the solution "Start with Strategic Producers and Showcase Success", mitigating the high risk of potential demotivation among other producers if selected strategic ones do not achieve expected success involves focusing on those with a strong track record. Close collaboration will ensure their success, with ongoing communication of their progress and benefits to inspire others. Additionally, with medium likelihood, replicating success might pose a challenge due to varying circumstances. To address this, the company needs to analyze successful factors, extracting common elements that can be shared across the producer community.

For the solution of offering "Live Training for Technology Usage", there is the high risk of some producers struggling with technology despite training which can be tackled by offering diverse training options and ongoing support. A blend of in-person training and supporting documentation, along with a repository of FAQs, can cater to different learning styles and address common challenges. The high potential of producers feeling overwhelmed by technology and reverting to old methods should be managed through continuous training and accessible resources, ensuring steady progress and boosted confidence.

“Quick Wins with Guaranteed Sales Minimum” hold the medium risk of inaccurate sales projections damaging trust. This can be mitigated through thorough market analysis and projections before committing to sales goals. Adjustments can be made based on changing circumstances, ensuring transparency, and maintaining relationships. To avoid overcommitting to guaranteed sales, shoes.pe should set commitments based on conservative estimates and establish a contingency plan to manage any deviations from expected outcomes.

By proactively identifying these risks and implementing corresponding countermeasures, shoes.pe is prepared to navigate potential challenges and ensure the successful execution of the selected solutions. This proactive approach will not only minimize potential setbacks but also position the company to achieve its goals effectively.

#### **8.4 Conclusions**

In conclusion, the path to implementing the proposed solutions for shoes.pe is illuminated by a well-structured plan, summarized in the Gantt chart. This practical roadmap outlines the sequence of purposeful activities, budgets, and milestones, providing a clear direction for achieving our objectives. Shoes.pe should start with developing the easy process design first to lay the foundation for the following proposed solutions. Afterwards, the remaining three solutions – starting with strategic producers, training, and sales guarantee – can be implemented at the same time considering interdependencies and allowing for flexibility.

However, the implementation is not only reliant on timelines and tasks. The key to success lies in the careful consideration of enablers and risks. Enablers, such as user-friendly interfaces and collaborative partnerships, act as facilitators, smoothing the path toward transformation. Yet, shoes.pe must remain attentive, acknowledging the presence of risks like technical glitches and adaptation challenges. The preparedness with countermeasures like support and close collaboration ensures that these hurdles become stepping stones, opportunities for growth, and improvement.

In practical terms, this chapter underscores that success is not just a destination but a well-orchestrated journey. The Gantt chart provides direction, the enablers are facilitators, and the countermeasures are protecting the plan from risks. Strategically navigating through these implementation activities helps shoes.pe to reach the goal of supporting local footwear producers and bridging the digital gap in El Porvenir, Trujillo.

## Chapter IX: Expected Outcomes

The following chapter presents the details of the expected outcomes for each proposed solution including specific key performance indicators to measure success. It concludes with an elaboration about overall expected outcomes for shoes.pe.

### 9.1 Easy Process Design and Shipping Support

The optimization of the onboarding process for producers is poised to play a pivotal role in fostering their active involvement on the online platform. By streamlining and simplifying the initial setup procedures, a surge in participation rates and heightened engagement levels is anticipated.

One of the immediate impacts is an enhanced producer experience. When the onboarding process is smooth and hassle-free, producers are more likely to feel empowered and motivated to utilize the platform effectively. Moreover, an efficient onboarding process can lead to a substantial increase in the number of products being listed on the platform. This broader product range not only enriches the offerings available to consumers but also contributes to a dynamic and competitive online marketplace.

Beyond product listings, a well-structured onboarding process also has implications for the shipping and delivery aspects of online sales. Simplified onboarding is linked with increased familiarity and adherence to the platform's shipping support guidelines. This, in turn, can lead to a higher shipping success rate, where a greater percentage of orders are processed and delivered seamlessly, and on time.

Hence the main key performance indicators (KPIs) for this solution are the following:

**Onboarding Time:** The time taken by producers to complete the onboarding process serves as a measure of its efficiency. A shorter onboarding time indicates a smoother and more user-friendly process. The aim of shoes.pe is one week from the decision of the producer to join the platform until customers can purchase the shoes online.

**Product Listings:** Monitoring the number of products successfully listed by producers provides insights into their level of engagement and contribution to the platform's product diversity. To start off with selling on shoes.pe, the producers should list at least one third of their product portfolio after four weeks of using the platform.

**Shipping Success Rate:** The shipping success rate, a critical performance metric, reflects the efficiency and reliability of the shipping support measures. The aim is to achieve an average shipping success rate of 90%, ensuring that orders are consistently and successfully shipped and delivered within the specified timeframe after three months of operating.

**Producer Satisfaction:** Gathering producers' feedback on the ease of process design and the quality of shipping support gives valuable insights into their overall satisfaction and provides room for improvement based on their suggestions. After the successful migration to shoes.pe, producers should be asked how satisfied they are with the process on a five-point scale from not satisfied to satisfied. At least 66% should answer the question in a survey with rather satisfied or satisfied after one month of selling online.

## **9.2 Start with Strategic Producers and Showcase Success**

Initiating the implementation of shoes.pe by strategically engaging key producers holds the promise of catalyzing widespread participation and inspiring a culture of success on the online platform. By focusing on strategic producers and ensuring their significant sales growth and seamless engagement, a domino effect is intended that engages further producers.

The expected outcome is twofold: Firstly, the strategic producers themselves experience substantial sales growth and find their engagement with the online platform effortless and rewarding. This positive experience serves as a tangible proof to the potential benefits of embracing online sales. Secondly, these strategic producers become role models for others within the community, setting an inspiring precedent for success and encouraging

broader participation. As strategic producers thrive, they generate a surge in trust and credibility for the platform.

To measure success for this solution, the following KPIs have been selected:

**Sales Growth:** Measuring the percentage increase in sales for strategic producers after integrating to shoes.pe directly reflects the platform's impact on their revenue generation, subsequently motivating other producers to join shoes.pe as well. For the defined period of one month, the selected producers should experience a sales growth of 20%.

**Word-of-Mouth Impact:** Counting the number of new producers who decide to join the platform due to hearing about the success stories of strategic producers reveals the power of positive reputation in driving growth. When asking new producers joining the platform how they heard about shoes.pe and why they decided to participate, the team should be able to count at least 33% of new producers that join because of the showcased success for the month after the initiative.

### **9.3 Live Training for Technology Usage**

In the interest of digital success, empowering local footwear producers with essential tech skills becomes crucial. The live training aims to make them proficient in navigating the online platform and effectively engaging customers. The impact here is both practical and transformative. By mastering digital tools, producers are expected to substantially increase their adoption of the online platform. This shift will directly combat technological reluctance, boosting interaction and involvement on the platform. Most notably, it is a strategic move to bridge the digital gap in the footwear sector, following the overall mission of shoes.pe.

The success of this solution will be measured with the following KPIs:

**Technology Adoption Rate:** Tracking the number of producers who start using and continue to use shoes.pe after the training demonstrates the training's direct impact on

technology adoption. The goal is to achieve a technology adoption rate of 75% after the training.

**Support Request Rate:** Monitoring support requests offers valuable insights into areas where producers require additional guidance, refining the training program for maximum impact. To consider the live training to be successful, each producer should not reach out to shoes.pe's support team with more than five questions that have been covered in the training content for the first month.

#### **9.4 Quick Wins with Guaranteed Sales Minimum**

The idea of this initiative lies in securing immediate success that strengthens producers' confidence and fosters their reliance on shoes.pe. The expected outcome revolves around producers experiencing an initial push in success, leading to increased trust and engagement, all driven by tangible results such as heightened sales and improved incomes.

Impacted by this, more producers are motivated to actively participate, motivated by the prospect of replicating the observed successes. Moreover, shoes.pe as a platform itself gains a vital boost in credibility, emerging as a reliable and profitable sales avenue for producers.

The following KPIs are supposed to measure the success of this proposed solution:

**Number of Participants:** Quantifying the number of producers embracing the guaranteed sales minimum initiative provides tangible evidence of its appeal and success. For the first round, the target is to achieve a participation of at least 10 producers, demonstrating a strong engagement and recognition of the initiative's benefits.

**Sales Growth:** Calculating a substantial percentage rise of at least 20% in sales for producers during the guaranteed period of one month serves as clear proof of the initiative's value and impact. This ambitious goal showcases its effectiveness in boosting producer revenue and validating the efficacy of the approach.

Continued Participation: Monitoring the percentage of producers who choose to continue online sales beyond the guaranteed period is a key indicator of sustained benefits. The target is to have at least 66% of participating producers continue selling online for at least three months after the campaign, demonstrating the initiative's lasting value and ongoing success.

### 9.5 Overall Expected Outcomes

A summary of the KPIs for each solution can be seen in Table . These specific targets are important to be able to measure success and evaluating effectiveness.

**Table 6**

*Key Performance Indicators per Solution*

Key Performance Indicator	Definition of Success
Easy process design and shipping support	
Onboarding time	One week from decision to join until purchase option
Product listings	One third of each producer's product portfolio should be listed after four weeks of using the platform
Shipping success rate	90% of orders to be successfully shipped and delivered after three months of operating
Producer satisfaction	66% of all participating producers should be rather satisfied or satisfied with the process design after one month of selling online
Start with strategic producers and showcase success	
Sales growth	20% within one month
Word-of-mouth impact	One third of new producers should join because of showcased success for the month after showcasing success
Live training for technology usage	
Technology adoption rate	75% of all participating producers should use shoes.pe afterwards
Support request rate	Each producer should not reach out with more than five questions that have been covered in the training for the first month
Quick wins with guaranteed sales minimum	



Number of participants	10 participants for the first round
Sales growth	20% within one month
Continued participation	Two thirds of participating producers should continue to sell on shoes.pe for at least three months

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Overall, the strategic initiatives aim towards a practical transformation in the local footwear industry. Prioritizing digital skills and engagement expands shoes.pe's potential, driving participation and sales growth. In general, an increase in participation among local footwear producers joining the online platform signifies a broader and more diverse product range, enriching consumer choices, while overall sales experience a substantial boost as higher producer engagement and increased product listings attract more customers. Additionally, the success stories of strategic producers and the effectiveness of the guaranteed sales minimum initiative elevate the platform's reputation and credibility.

Moreover, producers' enhanced digital competence ensures long-term platform sustainability and growth, while at the same time these initiatives address broader issues like bridging digital gaps and boosting local producers' competitiveness. The initiatives contribute to narrowing the digital divide in Peru, specifically within the region of El Porvenir, offering local producers a pathway to digital success. By adding an extra sales channel, local footwear producers increase their market reach, strengthening their competitiveness. In total, all activities initiated by shoes.pe aim to reach the social goal of supporting the local footwear producers in Trujillo to boost their business and success.

## **Chapter X: Conclusions and Recommendations**

This chapter represents the culmination of an extensive consulting process, summarizing the main findings drawn from a thorough analysis. This section offers a concise overview of the challenges faced by local footwear producers in adapting to online sales, and it presents a summary of carefully crafted recommendations tailored to address these challenges within Servicios Delivery EIRL. Moreover, the recommendations extend beyond

the organization itself, providing valuable insights for students engaging in similar consulting endeavors.

### **10.1 Conclusions**

In conclusion, this consulting report has precisely examined the challenges faced by Servicios Delivery EIRL in convincing local footwear producers to embrace online selling. In the pursuit of persuading footwear producers, three essential areas of concern come to the forefront. Firstly, the ingrained cultural affinity for traditional selling methods presents a significant challenge. Secondly, the lack of digital skills, and last, a notable concern of resource constraints, regarding not having sufficient capacities to achieve online sales through an e-commerce platform.

Through a comprehensive analysis of the root causes and careful evaluation of alternative solutions, a multi-faceted strategy has been crafted to address these challenges. The proposed solutions encompass streamlining onboarding processes, supporting and starting with strategic producers, providing technology training, and introducing quick wins through guaranteed minimum sales.

These solutions have been designed to tackle the core issues hindering producers' transition to online sales, including limited technology access, cultural barriers, and resistance to change. By focusing on simplicity, success demonstration, skill empowerment, and tangible benefits, these solutions are expected to bridge the gap and promote enthusiastic participation in the shoes.pe online marketplace.

The key success factors for the implementation of these solutions lie in effective communication, tailored support, gradual adoption, and showcasing real success stories. Moreover, the identified key performance indicators will serve as a compass to measure the progress and effectiveness of each solution, ensuring continuous improvement and adaptation.

Anticipated outcomes include a more engaged and thriving producer community, increased sales, improved digital literacy, and enhanced platform credibility for shoes.pe. These outcomes collectively position Servicios Delivery EIRL to fundamentally reshape the engagement of local footwear producers in the online market, thereby aligning with their overarching goal of bridging the digital gap of local footwear producers in Peru.

As Servicios Delivery EIRL embarks on the transformative journey of implementing these solutions, it is important to recognize that the realization of change is a collaborative endeavor. The success of this transformative initiative centers around the commitment, cooperation, and adaptability of all stakeholders involved, like the local footwear producers but also CITEccal as a strategic partner. With a clear roadmap, robust strategies, and a commitment to mutual growth, Servicios Delivery EIRL is well-positioned to overcome challenges and earn the benefits of a vibrant online marketplace for local footwear producers.

Through this process, valuable insights have been gained, with one of the most significant insights being the recognition that the challenge goes beyond the topic of resources. It extends into the complex task of reshaping deeply ingrained cultural paradigms. Businesses are more than planning and funding, they are about real people living real lives. Successful business ventures surpass mere planning and resource allocation, they demand a profound comprehension of individuals' motivations and perspectives, especially in highly collective cultures like Peru that Servicios Delivery EIRL is operating in.

In the same context, in the contemporary business landscape, it is of crucial importance for enterprises to adopt a sustainable outlook that transcends the interests of shareholders and proprietors. This entails prioritizing the welfare of all stakeholders and making positive contributions to society at large, businesses are not organizational islands, these are part and members of the society and environment. Servicios Delivery EIRL in this

case wants to make positive contribution to society by following their mission of bridging the digital gap and supporting local footwear producers to sell online.

Moreover, another relevant takeaway of this project is regarding the pervasive element of uncertainty in the business environment, which underscores the critical role of well-informed decision-making. Even in cases where expected primary sources of information might be lacking, decisions should be guided by a synthesis of diverse sources. These encompass historical cases, authoritative literature, insights from experienced entrepreneurs, and lessons from past experiences. This multifaceted approach ensures that decisions are well-informed, firmly grounded in accuracy, and aligned with suitable solutions.

In addition, it has been insightful that the process of proposing solutions goes beyond offering simple recommendations and procedural guidelines. It involves a comprehensive evaluation of risks, resource prerequisites, the potential impact on stakeholders, alignment with the company's goals, designated responsibilities, and a nuanced assessment of potential advantages and disadvantages. This holistic perspective serves as the cornerstone of effective solution formulation.

## **10.2 Recommendations**

As a general recommendation, Servicios Delivery EIRL should continue investing in the development of a robust digital infrastructure and e-commerce platform tailored specifically for footwear products. This dedicated approach not only facilitates a seamless transition to online selling for the local producers supporting them in growing their businesses, but also positions the organization with a distinct competitive edge.

In addition, a crucial aspect of the implementation strategy involves regular follow-up on each of the four suggested solutions. Tracking the accomplishment of milestones and actively seeking feedback from all stakeholders involved, especially from CITEccal as a

strategic partner, are pivotal steps. These feedback loops ensure that adjustments can be made promptly to enhance the development process continuously.

Moreover, shoes.pe should recognize the pivotal role of early adopters within the community of footwear producers. Given that the primary challenge is to engage a substantial number of producers in this initiative, leveraging the power of word-of-mouth is indispensable, even more considering the importance of trust and personal relationships in the Peruvian culture. Thus, cultivating positive experiences among these early adopters can lead to a significant and favorable impact on the broader community. In this context of a cultural change initiative, quick wins hold particular importance. Hence, shoes.pe should strive to achieve these wins promptly and, once accomplished, actively communicate them among the footwear producers. Celebrating successes reinforces the benefits of the transition and motivates others to follow suit.

Additionally, in response to the security concerns raised by local footwear producers in the survey, prioritizing cybersecurity measures is relevant. Servicios Delivery EIRL should diligently uphold the highest standards of data protection and transaction security. It is essential to communicate these security measures transparently to both producers and customers to build trust within the ecosystem.

Furthermore, it is essential to acknowledge that learning new technologies may pose challenges, especially for individuals less familiar with digital tools in a country like Peru where the technology adoption is below average (IMD World Competitiveness Center, 2022). Patience, politeness, and words of encouragement play a vital role in fostering a positive attitude toward this new way of doing things. Building a supportive environment can significantly contribute to the successful adoption of digital processes.

For students actively participating in consulting processes, a set of vital recommendations can significantly contribute to achieving successful outcomes. Firstly,

underscore the importance of effective teamwork and collaboration within the project team. It is essential to establish transparent communication channels and mutually agreed-upon rules to facilitate seamless information exchange and idea sharing that improve the quality of results. In this sense, for each decision consensus has been reached within the project team, and the means of communication have been defined at an early stage like the working virtual platform that has been used for all tasks. Looking at the Peruvian culture, engaging with the team and client has an even higher value as a high value is placed on trustful as well as personal relationships.

Also, proficiency in time management is relevant to demonstrate the ability to allocate time efficiently and manage tasks effectively, ensuring the timely completion of all assigned student tasks while upholding a high standard of quality. In this case it has been especially relevant as the duration of the consulting project has been very limited. Thus, exact schedules and deadlines have been defined since the beginning of the project using a shared document with all activities, responsibilities, and current status of each task. This allowed for a more granular and transparent assessment of progress.

In addition, nurturing critical thinking skills is paramount to develop a robust problem-solving ability and cultivate analytical thinking capabilities. This ensures that conclusions and recommendations are firmly grounded in reliable and credible sources, thereby elevating the authenticity and credibility of the work. In this project, each assertion was grounded in academic literature, insights gleaned from interviews with the main stakeholder, and the comprehensive data garnered from surveys conducted among the footwear producers. This goes hand in hand with equipping oneself with strong research skills and adeptness in data analysis, to give sound decision-making and the formulation of compelling recommendations.

Furthermore, it is recommendable to actively seek feedback and adeptly incorporate it into the growth journey. Feedback should be requested from team members, business owners, stakeholders, professors, and others involved. Skillful utilization of feedback serves as a catalyst for personal and professional enhancement. Regarding this particular project, regular in-class presentations regarding the consulting progress have been important to not only develop communication and presentation skills, but also to receive feedback and incorporate it into the further progress. These sessions have been held likewise with the company owner Victor Florián.

In the face of a dynamic business environment characterized by uncertainties, cultivating adaptability is essential. Not everything is going to be as expected. Hence, embracing flexibility and having an open mindset is crucial to remain prepared to pivot strategies as conditions evolve. The ability to make well-informed decisions aligned with changing circumstances is key. This has also been a lesson learned from this project as circumstances changed and processes needed to be adapted quickly in order to progress within the given timeframe.

Finally, after each consulting experience, the time for introspection should be taken. Reflecting on the encountered challenges, successes, and areas for refinement. This reflective practice contributes not only to personal growth but also improves the approach in future consulting endeavors.

In conclusion, Servicios Delivery EIRL is encouraged to maintain its strategic investment in the development of a specialized digital infrastructure and e-commerce platform tailored to the footwear industry, emphasizing to build trust through transparent communication to all stakeholders. Furthermore, diligent follow-up on the proposed solutions is crucial, ensuring milestones are met and gathering feedback for continuous improvement. Also, recognizing the importance of early adopters and leveraging word-of-mouth within the

footwear producer community is vital to drive broader participation, in addition to establishing a supportive environment.

For students engaged in consulting projects, effective teamwork, transparent communication, and proficient time management are fundamental. Critical thinking, research, and data analysis skills should be practiced enhancing decision-making and recommendation formulation. Continuously, seeking feedback and integrating it into personal and professional growth, and improving communication and presentation skills for conveying insights convincingly. In addition, post-consulting reflection aids in personal development and informs future consulting endeavors. Embracing these recommendations will facilitate success in future consulting processes.

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## Appendices

### Appendix A: Survey for Local Footwear Producers

#### Introduction

As part of our ongoing commitment to supporting and enhancing the local footwear industry, we are launching an exciting new initiative aimed at highlighting the unique craftsmanship of local footwear manufacturers like you.

To ensure that this initiative meets your needs and expectations, we are asking you to participate in this survey by Wednesday, August 23. All responses you provide will be treated confidentially.

Your valuable feedback will be instrumental in designing strategies to facilitate a smooth transition to the e-commerce environment, which in turn will drive the success of your business in the digital marketplace.

We welcome your participation in this exciting journey with us.

### General Questions

1. What is your gender?
  - a. Male
  - b. Female
  - c. Other
2. What is your highest level of education?
  - a. None
  - b. Primary school
  - c. High school
  - d. Superior
  - e. Other
3. How many years of experience do you have in the footwear industry?
  - a. \_\_\_\_ years

### Technology

4. What technology tools or platforms do you currently use for managing your footwear business?
  - a. Facebook Marketplace
  - b. MercadoLibre

- c. WhatsApp Business
  - d. Other: ...
5. Do you use one of these platforms to promote your footwear products online?
  - a. Facebook
  - b. Instagram
  - c. Tiktok
  - d. Other, please specify
6. How open are you to adopting new technologies to improve your business operations?
  - a. Scale from 1 (not open at all) – 5 (totally open)
7. What are your main concerns or hesitations about selling footwear products online?
  - a. Security
  - b. Reliability
  - c. Time consumption
  - d. Cost
  - e. Other, please specify...
8. What kind of information do you consider crucial to share with potential online customers?
  - a. Size
  - b. Material
  - c. Colour
  - d. Fit
  - e. Name of producer
  - f. Other, please specify...

Quality and Logistics

9. Do you have established quality standards for your footwear products offline and/or online?
- International quality standards
  - National certifications
  - Other, please specify...
  - None
10. What are your thoughts on last-mile delivery services for online orders?
- Opportunity
  - Challenge
- Why?.....
11. How would you handle the logistics and delivery of online orders?
- Third party last-mile delivery (Rappi, Glovo, Olva, ...)
  - Own delivery
  - Customers coming to pick up the products
  - Other, please specify

Support

12. Are you aware of any government initiatives or support for local businesses transitioning to e-commerce?
13. Would you be interested in receiving training or workshops on E-commerce and online selling?
- Scale from 1 (not interested at all) – 5 (highly interested)
14. Would you be interested in collaborating with a new platform for online sales?

a. Scale from 1 (not interested at all) – 5 (highly interested)

15. What features or incentives would motivate you to join the platform?

Thank you for participating, your comments are very valuable to help us build a better future.



**Appendix B: Results of Survey for Local Footwear Producers**

**Table A1**

*Results of Survey for Local Footwear Producers*

Participants	Time Stamp	What is your gender?	What is the highest level of education attained?	How many years of experience do you have in the shoe industry?	What technological do you promote currently use for online sales?	Do you use any of these platforms to promote your technologies to the Internet?	To what extent are you willing to adopt new platforms on improve your business operations?	What are your main concerns or doubts about selling footwear online?	What kind of information do you consider important to share with customers online?	Have you established quality standards for your footwear products, be it direct or Internet sales?
Participant A	2023/08/18 2:10:37 PM GMT-5	Female	Secondary	10	Facebook Marketplace; WhatsApp Business	Facebook;Instagram	5	Security	Producer name	None

Participant B	2023/08/18 1:10:51 PM GMT-5	Female	Technical	15	Facebook Marketplace; WhatsApp Business	Facebook;Instagram;TikTok	5	Security	Material	None
Participant C	2023/08/18 10:25:26 PM GMT-5	Male	Technical	40	Facebook Marketplace; WhatsApp Business	Facebook	5	Reliability	Product quality and design	Quality based on the technical norms
Participant D	2023/08/18 1:46:03 PM GMT-5	Male	Universitary	10	Facebook Marketplace; WhatsApp Business	Facebook;Instagram;TikTok	5	Security	Material	None
Participant E	2023/08/18 2:16:02 PM GMT-5	Female	Universitary	10	Facebook Marketplace; WhatsApp Business	Facebook;Instagram;TikTok	5	Security	Quality	None
Participant F	2023/08/23 9:29:13 PM GMT-5	Female	Universitary	7	Facebook Marketplace; WhatsApp Business;	Facebook	5	Reliability	Material	Quality, good details
Participant G	2023/08/18 2:36:35 PM GMT-5	Male	Secondary	13	N/A	N/A	5	Security	Material	None
Participant H	2023/08/18 1:29:31 PM GMT-5	Female	Universitary	18	WhatsApp Business	Facebook;Instagram	5	Reliability	Material	None
Participant I	2023/08/18 2:53:39 PM GMT-5	Female	Universitary	13	WhatsApp Business	Instagram;TikTok	5	Reliability	Material	Guarantee of a good product



Participants	What do you think about last mile delivery services for online orders? (Rappi, Glovo, Olva, ...)	Provide more details of the reasons for your previous answer.	How would you manage the delivery of orders over the Internet?	Do you know of any government initiative or help for local companies to enter Internet commerce?	Would you be interested in receiving training or workshops on electronic commerce and Internet sales?	Would you be interested in joining a new online shoe sales platform?	What features or incentives would motivate you to join the online sales platform?
Participant A	Chance	Less time spent, more sales opportunity	Last mile delivery by third parties (Rappi, Glovo, Olva, ...)	No	5	5	To have more sales in my products
Participant B	Chance	Speed	own delivery	No	5	5	Cost effectiveness
Participant C	Chance	The answer adjusts to the questions that you ask me It own delivery adjusts to reality Facilitates the arrival to specific places	Last mile delivery by third parties (Rappi, Glovo, Olva, ...)	I do not know. Lack of interest from the government, there is no support for footwear producers No	2	5	It motivates me to make my brand known product quality
Participant D	Chance	Opportunity to outsource distribution	Last mile delivery by third parties (Rappi, Glovo, Olva, ...)	No	5	5	showcase and diffusion for my product
Participant E	Chance	Opportunity to place the order, to be sent by one of the delivery companies that is best known for being reliable. (Olva)	Last mile delivery by third parties (Rappi, Glovo, Olva, ...)	Yes	5	5	To learn another style of sale and gain experience and have a financial support income for the family.
Participant F	Challenge	Challenge for myself to deliver my products through these companies	Last mile delivery by third parties (Rappi, Glovo, Olva, ...)	No	5	5	My motive would be to make the product known, and to be able to continue providing work
Participant G	Chance	We have not had the opportunity to use these services	own delivery	No	5	5	Sales
Participant H	Chance	Because they give us the facility to take the product to the customer wherever they request it	Last mile delivery by third parties (Rappi, Glovo, Olva, ...)		5	5	Know that there is enough publicity