WHAT STEPS NEED TO BE TAKEN IN ORDER TO MAKE SLOVAKIA A HIGH-REVENUE COUNTRY?

A DEEPER DIVE INTO A MARKETING STRATEGY FOR SLOVAKIA

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Abstract

What happens if there is a business that is strictly online, is available in multiple countries, therefore facing more competition, while having only one location for their office? This is how YourSurprise operates. Active in 28 countries, delivering almost to the whole world and having multiple websites. While the company is profitable and overall generates great revenue, not all countries are responsible for the company's success. Which is why a new system was introduced in the company, focusing only on countries that are generating high revenue, while letting the smaller, not so profitable countries run on their own without additional care.

The question is whether this approach is the right one. Since every company is looking to maximize their profitability, what can be done in order to do so for YourSurprise? Furthermore, would that be worth it, or would it also increase the company's expenses to the point where the revenue would take a hit?

The main research question *"What steps need to be taken in order to make Slovakia a high-revenue country?"* will provide a basis for other non-focus countries in order to make them more profitable.

To answer the main research question, the chosen research method was desk and field research combined with literature research. Multiple interviews were concluded and analyzed. Furthermore, financial findings were described using column graphs and pie chart.

The research describes the following findings:

- By comparing 3 different countries on terms of 4 metrics (Revenue, Gross Margin, Sessions and Revenue) it was clear there is no correlation between the size of the country and the results.
- Thanks to the concluded interview with 2 subjects, a better understanding of the company´s operations was seen. It was found that the company changes the way of working quite often, and also tries to introduce multiple countries in scheduled periods of time. After the countries are introduced, there is not done a continuous improvement for them in order to stay profitable.
- The desk research revealed how the shopping trends have changed during Covid-19 pandemic and what can be expected in the future of E-commerce. The interest in online shopping is steadily growing, providing a lot of opportunities for YourSurprise to focus in this market.

Finally, various recommendations for the company are addressed in terms of general recommendations, as well as specific recommendations for the chosen researched country. Multiple recommendations can be used as a basis for other non-focus countries, such as new pricing strategy, create a separate country analysis for every country, conclude different tests in

terms of shipping, improve various sizing descriptions on the website and research influencer marketing.

A separate document - handbook "Action Points for Slovakia 2023" is provided with different steps that should be taken in order to generate higher revenue in Slovakia. In the handbook a detailed description of each recommendation for this country is described.

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Preface & acknowledgements

The document you are about to read is a bachelor thesis on the topic of "What steps need to be taken in order to make Slovakia a high-revenue country, providing a baseline for other non-focus countries?". It is a result of research for company YourSurprise located in Zierikzee in The Netherlands. The research was done alongside my graduation internship of duration of 5 months for the International Business Administration program at HZ University of Applied Sciences, where I have been a student for the past 4 years.

This research focuses on improving the revenue and profitability of Slovakia, a country where YourSurprise is active. YourSurprise is a company that is active in 28 countries with a separate website for each of them. Those countries are then split into Focus and Non-focus, based on their revenue turnover. To improve the revenue of the company, the research started with one non-focus country, providing recommendations on what can be done, therefore creating a baseline for the rest of the non-focus countries.

Soon I will finish my 5-month graduation internship in the company YourSurprise. I am forever grateful for the opportunity to complete this part of my studies in the above-mentioned company. Not only did I gain an amazing experience, I also got a clearer view on what I would like to do in the future, while having fun. Which in YourSurprise is part of a job.

Many thanks go to my in-company supervisor Nicole Dornig, who watched over me every step of my way and always provided me with great advice. She gave me space to explore what I like and made my internship an amazing experience. Furthermore, I also have to thank the amazing team of people that I met, whether in my department or in the whole company, as well as everyone that has helped me during my research and answered any questions I had. I made friends for life with fellow interns and can't wait to see where our roads will take us.

I would also like to thank my family, who made it possible for me to study and work in The Netherlands. I would not be where I am without the support, I have received from them. Finally, I have to thank my boyfriend Bernard, for always keeping me on track and organized. He was a big support for me through all the steps.

Laura Partiková
Zierikzee, 30. January 2023

1. Preliminary research

The chapter Preliminary Research is an introduction to the company and its problems. Additionally, the information gaps will be described, from which there will be conducted research questions. In the end, the project aims will be discussed.

1.1 Company/product analysis and developments

YourSurprise is an international e-commerce company that operates (currently) in 28 countries, with 29 independent YourSurprise websites, with the Netherlands' website being the main (https://www.yoursurprise.nl/). The company specializes in personalized presents for every occasion and every age group or gender.

YourSurprise is located in Zierikzee in the Netherlands. The office (campus) is a place where everything happens and is the only physical location of the company. Here all the teams, such as Finance, Marketing, Production, Packing and more are operating. The departments are connected, and the office space is open. It is also a place where production takes place, making it easy to communicate in between the company, share information and stay updated. Being an online-only company brings YourSurprise multiple advantages as well as disadvantages. The company can better understand the customer experience through various platforms and every interaction can be later analyzed. This however also means that the websites of the company need to be perfect and functional, since it is the only interaction point with the customers. (Olenski, 2018)

The logo of the company is "Spread a little happiness", which the organization tries to achieve by personalizing products and orders from the customers. This logo is the "Why" of the company. How YourSurprise does this is by being masters of the art of giving, showing, and helping the customers around the world to be more attentive. The What, How and Why of the company are shown in the appendix A. YourSurprise is not only creating beautiful and personal presents. The company shares ideas through various channels in order to inspire customers, remind them to be more attentive towards those around them and create an unforgettable emotion by giving personalized presents with deeper meaning behind it.

The story of YourSurprise started in 2005, in one country with one gift - a personalized surprise song. In the first year the company sent 1000 gifts and started rapidly growing. In the next 10 years the company grew exponentially and in 2015 the number of gifts sent was more than half a million. Today this number is more than 2 million, with around 200 employees. How the company is structured is through various teams and those teams are split into ships, e.g., Team E-Commerce, Ship Webshop and Conversion. Every 5 years the company creates a forecast for the upcoming 5-year period e.g., 20 million gifts sold until 2025. To be sure that everyone is on track and the company works towards its goals, every three months there is 1 week ("To the Moon

week"), where every department and every ship looks if they follow the goals that were set in the last period. (The YourSurprise guide, 2022)

The revenue of YourSurprise in 2022 was 43 972 183€ with -3% growth compared to last year. In 2021 there still was a positive effect of covid on e-commerce in general, since lockdowns and public-health concerns resulted in a mass migration to online sales, the effect was expected to continue further, with shoppers creating a habit of online shopping, however the unexpected events of 2022, has slightly decreased the growth. (McKinsey, 2022) At the pandemic's peak, the average total spending rose from 10.3% in 2019 up to 14.9% in 2020. In 2021, after the pandemic's first peak, this number decreased to 12.2%. (IMF, 2022) Furthermore, 2022 was affected by multiple events such as war in Ukraine, inflation growth, energy prices rising, etc. The growth plan for the upcoming year is showing an ambitious 19% growth, however, the company finds this doable and is focusing on introducing a new system in order to create more revenue in all channels. The forecasted revenue for each country is specific and set on a percentage that is possible to achieve. Furthermore, the company would like to introduce a new structure of working for different countries.

A big challenge for e-commerce only businesses is the higher competition, not only online but also in-store shopping businesses, and as a company active in many countries, YourSurprise has multiple competitors worldwide. Competition is different per country, but generally it is companies offering personalized products. In some countries competition is smaller. For The Netherlands the main online competitors are Radbag, MaakjeCadeau and Greetz. Besides online competition, YourSurprise has to also face competition with physical locations. According to McMullen (2023) there are multiple benefits to in store shopping such as better customer service, returning items policy and interaction with the product. Additionally, based on research, the majority of customers still prefer shopping at a physical location compared to online shopping, even if the customers first google the product online, they later on decide to purchase it at brick-and-mortar locations. Moreover, in most of the countries the competitors do not offer such a wide range of assortment as YourSurprise does. Competition focuses on one assortment, such as gifts from wood, or mugs, while YourSurprise covers chocolate, wooden planks, flowers, ceramics, or toys. This is truly a unique characteristic of YourSurprise, which offers customers a much bigger choice.

The customer base of the company varies greatly from families to friends, couples, colleagues, or customers. Everyone likes surprising someone whether on smaller or bigger occasions.

"Customers who personalize their gift are more invested and spend more than when ordering a non-personalized gift". (Bain and Company Consumer survey, n.d.)

1.2 Problem Analysis

The question is whether a company that operates like this is profitable. It is well known what profitability is. A simple term explained as a measure of a company's profit relative to its expenses. (Gartner, n.d.) To simplify it even more, a company's revenue has to be more than its expenses.

In a business, profitability determines whether the company is going to survive or not. As previously stated, there are multiple factors that might influence company´s profitability, such as competition, demand, size of the company, various expenses, the state of economy and many more. (Sherman, 2020)

When you have an international company, the expectation usually is that it must be performing very well, since it is active in so many countries.
YourSurprise; a company active in 28 countries, but the question remains how the countries are performing in terms of profitability.

What: The 28 countries that YourSurprise operates in are split into "Focus" and "Non-focus" countries.

Why: Focus countries are the ones that are profitable and generate a good revenue for the past consecutive months. Non-focus countries, on the other hand, are the ones that do not generate high revenue and are not profitable enough to be considered focus countries. This is usually a case of the smaller countries, such as Poland, Slovakia, Czech Republic, or Hungary; but also, for some bigger countries, which should have more potential. This split is saving time and energy for the employees; however it creates costs to the company. By increasing the revenue of the non-focus countries the company could perform better in the future.

Where: This is a problem for the company, as currently from 28 countries, 16 are Non-focus ones. During the research the question of what impact does this have on the company will be answered. However, the problem lies in the fact that the company relies on very few countries to perform really well. In the scenario that those countries stop consecutively performing well, the company does not actively work on "back up plan".

How: That means that YourSurprise actively invests in those countries, even though the company knows it does not generate enough profit. So why to keep them going? Is it in hopes that the countries will get profitable on their own? Or is it too late to switch to other countries where it might have more potential? This impacts the company in more ways. The Focus countries are the ones where the company puts more focus, meaning that the product offering is bigger, the social media of those countries are being posted on regularly, the translations are being done by native speakers or TextMaster (a platform with freelance translators paid by the company that needs translation), all the blogs are being translated, etc. For Non-focus countries, the focus in not that high - translations are usually done in Google Translate (exception is if there is a native speaker who can take over the country), the social media does not require regular posts, the blogs are not being translated and generally the importance of certain tasks are not that high. For the bigger countries (e.g., Finland), this may be caused by the lack of native speakers and lack of manpower to do bigger tasks for another country that in the end might still not be profitable. But for other countries, such as Poland or Slovakia, there are native speakers, yet because these countries are not growing in terms of revenue the focus from them was shifted.

Who: Right now, every focus country has a person responsible for this country. This can be a native speaker but for countries where a native speaker is not present, it can be anyone. This person is then responsible for all the operations, such as keeping the website updated, making a keyword analysis, being responsible for translations (using TextMaster or Google Translate) and so on.

Is this a good way to go around those countries? Shouldn't higher focus be on the countries that are currently not profitable, to at least make them breakthrough. There might not be native speakers to those countries, but there are no native speakers to Norway, Sweden, or Denmark, which belong to the Focus category.

When: This split is active only recently, as giving the same priority to all the countries was time-consuming, in the case they would not generate enough profit.

Appendix B explains the problem analysis further in a Fishbone Diagram of the company.

1.3 Information Gaps

As stated in the Problem Analysis, the company currently has a split between the countries in which it operates. This means that the company is not working to its full potential, since it could generate higher revenue, build better brand awareness, and expand further once new system is in place. In order to solve the problem that the company is facing, two information gaps have been formulated.

Information gap 1: The first information that needs to be covered is what causes the non-profitability in certain countries. As previously stated, it is not caused by the lack of language speakers, since it is not a rule that a country with a native speaker in YourSurprise is always focus, and vice-versa. This is proven by the fact that countries such as Norway or Sweden are focus countries, generating high revenue, without a native speaker present, as opposed to countries such as Poland or Luxembourg are considered to be non-focus countries. Instead of whether a native speaker is present, there might be many other factors, such as pricing, costs of shipping, big competition, etc. influencing the country´s profitability. This research will try to find answer to this information gap, as it is heavily influencing the Focus and Non-focus split between the countries.

Information gap 2: Information gap 2 will focus on to what extent does the non-profitability influence the company's operations. It might seem strange to keep the non-focus countries running, especially in an amount as YourSurprise (over 50%). With this question, the research will focus on finding out why YourSurprise is keeping all those countries and how it influences the company on the whole, the revenue and its margin.

1.4 Research Questions

Main research question: What steps need to be taken in order to make Slovakia a high-revenue country?

Sub-question 1: What are current shopping trends in Slovakia and how relevant are they for YourSurprise?

Sub-question 2: On what level do the non-focus countries influence the company's operations?

Sub-question 3: How can the recommendations for Slovakia provide basis for all the Non-focus countries, in order to turn them into high-revenue countries?

1.5 Project Aim

The aim of the research is to eventually turn the Non-Focus countries into profitable ones, thus eliminating the split of Focus and Non-Focus countries. If all the countries would eventually be profitable, it will not only lead to better results for the company, but it might also optimize the company's operation. Currently, there is a visible split in the countries, whether it is the tasks, the overall outlook of the website or the importance assigned to each country. This also takes extra time to assign the tasks, as well as having meetings on how to proceed with certain countries and situations.

In this research a Non-Focus country will be chosen and an attempt will be made to make it profitable for the company, therefore creating a guide on how to do this with all Non-Focus countries. The aim is to provide YourSurprise a handbook with recommendations on how to make Slovakia more profitable and thus turn into Focus country. The project will also contain general recommendations for the company that will be applicable for all Non-focus countries in order to maximize their potential. Furthermore, some steps will already be taken during the research in order to see the results and progress of the country.

Figure 1 explains the Project aim in the SMART criteria.

SMART Criteria

S	The goal of the project is to turn a Non-Focus country into a Focus one. The steps taken will be described in the report and will be in the future used in order to do this with all of the Non-Focus countries.

M	The results will be measured using Google Analytics, Looker, and other platforms, which the company uses in order to have an overview of the profitability, growth, and general financial situation of the company. The data gathered here is separated by each country making it possible to measure the results.
A	The aim is to have a result by a "big moment", in this case Valentine. This moment offers a possibility to focus on a specific campaign and related tasks to it. This gives enough time for planning and execution.
R	The research is relevant for YourSurprise, since it will increase the profitability of the company. This is also relevant for employees who are responsible for Non-Focus countries, as they might find it discouraging to be operating for a country that does not generate profit. Overall, the process of assigning tasks will be optimized, since there will not be differences in terms of countries.
T	The end date of the project will be after Valentine. The preparation, research and project will end before Valentine's day; however an extra time is necessary in order to see the difference and analyze the results.

Figure 1

2. Research Approach

In this chapter the research approach will be described. Information gaps will be explained using the sub-question 1 and 2.

2.1 Information gap 1

Sub-question 1: What are current shopping trends in Slovakia and how relevant are they for YourSurprise?

The sub-question 1 focuses on answering what the current shopping trends in Slovakia are. By understanding better the nature of the shopping experience in the country, it will be easier to understand what causes the non-profitability here. In addition the shopping trends will be used during an in-depth country analysis of Slovakia.

To answer this questions, a desk research will be concluded and analyzed.

2.2 Information gap 2

Sub-question 2: On what level do the non-focus countries influence the company's operations?

In the second sub-question a deeper look into how the non-focus countries are influencing the company's operations will be taken. What needs to be answered with this question is how valuable it is for the company to keep all the non-focus countries operating.

To answer this question the same resources will be used, which were already mentioned; looker, google analytics and internal excel documents. Besides that, an interview with people responsible for those countries will be concluded. The costs versus income for non-focus as a group will be compared.

Sub-question 3: How can the recommendations for Slovakia provide basis for all the Non-focus countries, in order to turn them into high-revenue countries?

Since various recommendations will be provided for Slovakia, the last sub-questions focuses on how those recommendations can be beneficial for the company in the future. Because at the moment the company has 16 non-focus countries, the basic recommendations should be aimed on optimizing all of the countries.

2.3 Research Approach for both information gaps

Approach: The approach taken to answer the information gap number one was desk and field research. Furthermore, literature research has been concluded in order to answer the question of non-profitability in companies. In terms of desk research, various tools were used such as Google Analytics, Looker and Algolia.

Units of analysis: For the purpose of the research multiple countries were analyzed in terms of revenue, margin, and further financial information. All the financials were compared in the same currency - euro. Additional research was done for Slovakia.

Data collection: In terms of data collection, different approaches were taken. Firstly, desk research was collected and used directly in the research justification. Secondly, 2 interviews were concluded, where the interviews were recorder on 2 devices – a mobile phone, as well as google meet recording, which was then available on the e-mail for both, the interviewer, and the interviewee. The interviews were done with 2 region leads in the company:

- Nicole Dornig
- Marit Witvliet

Data analysis: The collected data will be analyzed with the help of different graphs. This will provide a better understanding of the data and offers a possibility of comparison to other countries. Furthermore, the data will be analyzed in Microsoft Office Tools, such as Microsoft Excel and Microsoft Word.

Operationalization: The data collected will be a base to improve the company's operations. Throughout the research multiple concepts have been identified: profitability of a company, focus and non-focus countries, spending trends in Slovakia, correlation of native speaker in the company with the split of focus and non-focus countries and recommendations for increasing the revenue of a company.

Figure 2 shows the operationalization of the identified concepts while providing variables and indicators.

Concept	Variables	Indicators
Profitability of a company	• How is profitability identified? • Is the profitability of separate countries important?	• Net and Gross margin • Revenue • Conversion rate
Focus and Non-focus countries	• Importance of the split • How does the split work? • Is the split effective in terms of workload?	• Satisfaction of employees • Revenue of the focus countries, compared

	● How do team members feel about it?	to non-focus
Spending trends in Slovakia	● Are customers spending more online or do they prefer to shop in stores? ● When online shopping, do customers order from abroad, or do they prefer to shop locally?	● Comparison of bricpping vs in-person shopping ● Comparison of shopping online from foreign country or preference towards local online stores
Correlation of native speaker in the company with the split of focus and non-focus countries	● Is the correlation of the native speaker and focus country important and should it be considered? ● How can the company replace a missing native speaker?	● Comparison of different countries ● Translation platforms that are a possibility to use in the future
Recommendations for increasing the revenue of a company	● What are the recommendations for the company to increase their revenue? ● Are there any specific recommendations that are more generic and can be applied to multiple countries?	● Country analysis ● Action points ● Handbook

Figure 2

Reliability and validity: The research is supported by literature and by various platforms that were used throughout the research. The interviews were done separately and to ensure the reliability and validity, the same questions were used for both interviewees. The answers did not differ per subject. Furthermore, the aim of the interview was to get a personal feeling of the subject, while also learning more about some decisions of the company.

3. Results

The chapter Results will provide various findings from the research. This chapter will be structured per 2 before mentioned information gaps, as described in the chapter 1.3.

3.1 Information Gap 1

The first part of the research was to compare the available data for different countries in order to understand what causes the non-profitability in various countries. Countries were chosen based on the timing of when they were put live. In the end, the compared countries were Portugal, Czech Republic and finally Slovakia. All three of those countries were introduced on YourSurprise website at the same time; September 2019. Besides this Slovakia and Czech Republic are countries that are very similar in nature. At the moment of the research Portugal belongs to the Focus countries, while Slovakia and Czech Republic belong to the Non-Focus group.

The following 4 metrics has been compared:

- Revenue - the money generated from all the business operations (Hayes, 2022)
- Gross Margin - represents the net sales minus the costs of goods sold (Novuna, n.d.)
- Sessions - user interactions with the website (Adjust, n.d.)
- Conversion - the percentage represents the actions taken by the customers. Conversion can be subscription to a newsletter or making a purchase. (Omniconvert, 2019)

Revenue and Gross Margin are one of the most important metrics for business, it is essentially a metric that shows if the business is profitable or not.
Sessions and Conversion were chosen in order to understand the number of visitors that each website gets in a specified time frame and to see how many of those visitors take an action. Because the three countries were introduced at the same time, the following system for years has been implemented.

- Year 1 - 1. August 2019 - 31. August 2020
- Year 2 - 1. September 2020 - 31. August 2021
- Year 3 - 1. September 2021 - 31. August 2022

Appendix 3 shows the revenue comparison of the three countries. We can see that the revenue generated from Portugal has been much higher since the beginning. However, the population of Portugal (10.3 million) has to be taken into account compared to Slovakia (5.4 million) and Czech Republic (10.7 million). It is very interesting to see that while the Czech Republic has the biggest population it had the slowest start and to this day it is very low compared to Portugal. The reason behind this might be not enough knowledge about the website, high competition in the country or no added value to the gifts offered. Another interesting thing is to follow Slovakia, which had a big drop in the Year 3. However, compared to the Czech Republic, which has double the population,

Slovakia is doing well. The drop can be explained by increased living standards in Slovakia, increased prices of products and high shipping, thus people preferring to shop locally. Additionally, due to Covid-19 companies around the world experienced enhanced dynamics in the ecommerce landscape. Even though the shift could mostly be noticed in terms of necessities and everyday items, most of the companies still noticed higher revenue and increased demand. (OECD, 2020) This was also true for YourSurprise.

Appendix D compares the Conversion (measured in %). Conversion measures the percentage of actions that are taken by customers. Those actions vary from signing up for a newsletter to buying a product or starting a personalization. Because this is calculated as a percentage it is a better representation of data in those countries. Since the beginning the three compared countries are on a very similar level, however Czech Republic is the only country that is continuously growing.

In appendix E we also see Sessions, which are user interactions with the website. Again, the population of each country has to be taken into account. Since the Czech Republic has the biggest population, it is expected that it would be doing much better. On the other hand, Slovakia was doing pretty well in the first two years, considering that the population is approximately half of the other two countries. Unfortunately, we can again see a negative trend and decrease in session in the last year.

Lastly, appendix F represents Gross Margin of the three analyzed countries, a metric that shows how profitable the company is. The trend here is the same as shown on previous graphs; Portugal started very fast and strong compared to Slovakia and Czech Republic, second year being the most profitable and afterwards experiencing a significant drop for Slovakia and Portugal. The negative trend may be influenced by different economic situations around the world. The interesting thing that we can follow here is the fact that the Czech Republic remained stable, or even increased, while being the only country without native speakers, as during the time of research there is a content marketeer from Portugal, and previously there were many Slovak native speakers in the company on a part-time basis or internship basis. The Czech Republic is also a Non-Focus country, meaning that there is not an extra effort put into this country or its profitability and growth.

3.2 Information Gap 2

In the second part of the research, 2 interviews were concluded with region leads from the E-commerce department. The interviews consisted of 8 questions, which can be found in appendix G. First interview contained less questions, to which further questions were added in order to cover more details. The questions were available beforehand, however not both subjects went through them before the interview.

With those questions, the main goal was to find out based on what criteria are the countries chosen and split, and how long the split between Focus and Non-focus has been in place.

Moreover, it was also important to find out if this split works and has a potential to be used in the future.

This interview was necessary for better understanding of the company's operations and decision-making.

Based on the questions asked, the main takeaways from the interviews are:

- How does YourSurprise choose new countries to introduce? To introduce YourSurprise in a new country several researches are done. Multiple things are considered such as size of the country, how much people are earning in the country, buying behavior and trends. The main goal was to introduce new countries every 2 years, but it is not an ongoing process with a set deadline. Moreover, since YourSurprise delivers to more countries than it is present at, when there is an indication that a lot of people are ordering from a particular country, the company then has a look and makes research into this, whether the country has a potential.
- Does the company have any expenses to keep the not profitable websites live? The most expenses occur in the beginning of the process when there is the need for translations (done through Textmaster). This also costs the content marketers time, when they could have put more focus into countries that are profitable. However, the costs once the website is live are not high and the company finds it preferable to leave the website live and wait for it to naturally pick up, rather than canceling it all together. The costs are not recurring monthly and most of the things that are needed are running without any interruption. The ads are automated, so YourSurprise does not spend extra cost and time. Additionally, it does create a discussion point from time to time, whether it is smart to leave so many websites at the same time, but YourSurprise took a step recently with the split of Focus and Non-focus countries and is hoping that this will make things clearer for content markets, as well as region leads.
- Since when is there a split of Focus and Non-focus countries? This was introduced quite recently, around August/September 2022 and the company is very satisfied with this step and finds it very useful.
- What are the main differences between Focus and Non-focus countries? There was a google document shared to understand the main differences in the tasks. The overview of the tasks and how they differ per focus and non-focus countries can be found in appendix H. In summary, translations for non-focus countries are done only if a native speaker is present at the company. For newsletter, SEO or social media posts the translations are done only for a big moment, such as Christmas, Valentine's day, etc.
- How were the countries split before? The system that the company was following was that the countries were split into 3 regions, however no focus or non-focus countries. This meant that there were 3 region leads who were more focused on data. Each region had a number of countries, for which content marketers were responsible. The work was then done for every country the same. Since there was no difference between countries, every country received the same amount of time dedicated to it. Currently there are 2 regions

with the same amount of countries, however both regions have a split between focus and non-focus countries.
- How does a country have to perform to be considered focus? What is looked at? The main indicators are big revenue coming from a particular country, shipping costs , margin. Furthermore, when deciding for the focus countries in the last period, all countries were numbered based on how they were performing and then the company looked at the trends in the countries to determine their potential for growth. Currently, if a country is performing well, it most likely will replace a country that has been stagnating or decreasing. As an example there is Norway, which replaced Ireland in October.
- Who is monitoring non-focus countries and their performance? There is not an ongoing monitoring of the non-focus countries. The company has a performance meeting weekly with multiple departments present, where the performance of the company and the countries is discussed.

An in-depth country analysis of Slovakia was done for the purpose of the research. The template was provided by the company. Multiple things were concluded in the country analysis. The obtained results were done in creating a professional product, a handbook with action points of what to improve in Slovakia. The country analysis is consisting of:

- Profitability
- Assortment mix
- Customer journey
- On site performance
- Algolia
- Product pricing
- Shipping
- Funnels
- Channels
- SWOT analysis
- Confrontation matrix

This analysis was later used to make action points, which are steps that the company needs to take in order to make Slovakia more profitable, or else high-revenue country.

What was noticed during this part of the research was that even though YourSurprise has a wide range of assortment, most revenue comes from 3 assortments - Mega Bars, such as Toblerone or Milka; printed glasses, mostly beer and wine glasses and lastly printed chocolate, which are chocolate bonbons printed with a photo.

Furthermore, YourSurprise is more expensive in terms of shipping than competitors. On multiple occasions the shipping is almost as high, or sometimes the same price as the product itself. This might make customers look for cheaper alternatives. According to a National Retail Federation survey, approximately ¾ of all shoppers expect the shipping to be free while shopping online. According to another research the average cart abandonment rate is 69.9%, with the number 1

reason (48%) customers abandoning their cart due to high shipping costs. (Baymard Institute, n.d.)

The problem that the company has is with search. YourSurprise websites experience many customers that come to the website and go into the search bar to search for a specific product. What was noticed during the research was that customers would search for products that the company has available, however they would not show up in the search or after pressing enter. This leads customers to believe that the product doesn't exist in the company. This happens with products that are incorrectly translated or when the company uses different synonyms that are used in a country.

Additionally, the desk research revealed various findings. Firstly, research on European e-commerce consumers was done. In the year 2021, Germany was identified as the biggest European e-commerce spender, followed by the United Kingdom and France. While the top 12 spenders contain some of the focus countries, there were also surprising results such as Poland and Spain as one of the biggest e-commerce consumers, which for YourSurprise are classified as non-focus countries, generating very little revenue overall. (Statista, 2022) On the other hand, Slovakia is the 63rd largest market for E-commerce. E-commerce in Slovakia has been a segment that is steadily growing, with around 51% of the population shopping online. (International Trade Administration, 2022) The spending trends in Slovakia are split into 5 markets, Electronics and Media being the largest accounting for 29.4%, followed by Fashion with 26.9%, Food and Personal Care with 19.2%, Furniture and Appliances with 14.5% and Toys, Hobby and DIY with 9.9%. (EcommerceDB, n.d.) Moreover, in the recent years, Slovakia has seen a rapid growth in e-commerce spending, meaning that the internet is currently a place for enterprises and customers from Slovakia to do their business and shopping. The interest in online shopping in the country is growing continuously, creating a potential for the company to focus in this market. (Mordor Intelligence, n.d.)

Appendix K represents the revenue of the countries, where YourSurprise is present. Countries that generate below 1.5% are not shown separately, such as Poland, Spain, Slovakia, Czech Republic, etc. and are represented in the top left part of the pie chart.

This part of the research was important for better understanding what causes the higher revenue in focus countries. The correlation between native speakers in the company was taken into account, but since there are countries such as Norway, Sweden or Denmark as one of the highest revenue countries, this theory was later abandoned.

There is no clear answer to the question of what causes the non-profitability of certain countries. As understood from the interviews, in the beginning all countries had the same tasks and effort put into them, however as it is normal, each country performed differently. This is of course based on the various factors, such as competition, market position in the country, etc. It is not directly influenced by whether a native speaker is present at the company or not. This can be seen with countries such as Sweden, Denmark or Norway.

4. Conclusion

Future of e-commerce businesses is exciting. There will be many changes and new opportunities emerging and companies should prepare for this the best they can. (Qayum, 2022) It is expected that in less than 5 years, global e-commerce sales will double. (Mazumder & Elliott, 2022) What is even more interesting is the prediction that by 2040 around 95% will be done via E-commerce. (Islam, 2023) This brings many new opportunities for already existing e-commerce companies but will also mean higher competition and bigger pressure on performance. In order to keep a good market position, existing e-commerce businesses should focus on improving all parts of their organization as much as they can. Currently, the most important trend in E-commerce is constantly increasing the number of people, who are actively engaging in online shopping. (Solomon, 2022)

4.1 Information Gap 1

After extensive research it was clear that there is no step-by-step guide to make all the countries profitable. If YourSurprise wants to be present in different markets, the company needs to take more personal approach. Sometimes countries become profitable on their own, other times they need a better push. YourSurprise is a company with a very fast-changing environment. Because having multiple websites the company is still trying to organize the structure and find the best way to work. As of now the best system has been Focus and Non-focus country, which lets the region leads and content marketers focus on countries that are more profitable and generate higher revenue. However, since the company is active in so many countries, it should strive to become the best version in all of their countries. Each country deserves the same amount of effort put into them. This also means creating multiple country analysis and then further adjusting and optimizing every country separately. Having Focus and Non-Focus countries can work, however in long term, instead of introducing new countries, YourSurprise could instead take 1 or 2 non-focus countries and optimize them to increase revenue.

4.2 Information Gap 2

YourSurprise is already taking various steps to better understand their customers and optimize their websites. Such a change can be seen in the fact that the company is currently switching to a new software, Contentsquare, which is a digital platform that provides real-time insights for the whole team. The platform makes it easier to analyze customer´s behavior among various websites, increase customer happiness and drive more growth. (Contentsquare, 2023) Additionally, the company will in the next few weeks introduce new structure and way of working, where the team will no longer be "country focused" but more "task focused". This means that the team-members will no longer be responsible for one country and focus on the optimization of the said country, however, they will be responsible for a specific part of the website such as

Homepage > Product page and will be responsible on optimizing this part of the website for all countries. The Focus and Non-focus approach will be kept.

The two delivered professional products are a deep dive country analysis of Slovak market, where the template was already provided by the company, as well as a handbook with "Action points", steps that should be taken to increase revenue of Slovakia. In order to become a company that I popular within Slovak market, any business entering the Slovak e-commerce scene must be sure that they understand the specific mentality of customers in the country. The handbook can also act as a baseline for other countries, since multiple steps can be derived from the handbook and used for all of the countries in the same way.

Moreover, some of the recommendations provided in the Handbook "Action Points for Slovakia 2023" are already being investigated and worked on, however, to see the results and feel the impact of the change, more time will be needed.

5. Recommendations

There are multiple recommendations for the company in order to maximize their opportunities and profit.

First and foremost, the recommendations are made for Slovakia, in order for the country to be profitable. After the research it was clear that a set of recommendations does not apply for all the non-focus countries. Which is why it is so important to create a separate country analysis for each and every country that YourSurprise operates in. A separate analysis is needed since each country has different competition, market size, pricing, etc. There are points in the recommendations that apply for most of the non-focus countries, such as researching big moments in each country or concluding a test with free shipping.

To implement the recommendations, the company must first understand the priority level to each recommendation. The priority status is provided in the Handbook "Action Points for Slovakia 2023". As well as the priority status, a responsible department needs to be assigned to each task, which is also provided in the before mentioned handbook. Further, the recommendations should have a dedicated time period, in which they should be taken out.

The recommendations are based on the research and the appropriate findings that are described in the chapter 3.

5.1 Recommendations for all countries

- Almost in all countries a new pricing strategy is needed. This is based on research of competition. Furthermore, after the financial statements the overall margin per gift could be improved by this. It is also needed to review prices more often, since the market where YourSurprise is operating is fast and ever-changing (NI Business Info, n.d.)
- Create a country strategy for every available country
- Improve sizing descriptions on website for textile and bathrobes for children
- Conclude different tests regarding shipping; not showing shipping price on a product page, free shipping over a specific amount of order. Since shipping is one of the key roles in e-commerce profitability, YourSurprise should look into different options how to integrate free shipping, especially in the countries where shipping is usually lower or there is a big competition with lower shipping costs. As many as three-quarters of all shoppers expect shipping to be free. (Blair, 2022)
- Research influencers and contact if it is popular in the country

Additionally, the company should focus on improving the revenue of the countries that they already have active, instead of adding more in the future.

5.2 Recommendations for Slovakia

- Alternative shipping agent – compared to competition, the shipping costs delivering to Slovakia are extremely high for YourSurprise. The company should look into a new shipping agent that would be more affordable for the customers from this country.
- Optimize homepage and product pages – optimized product pages and homepage provides bigger chance of driving conversions on the website. Once they are optimized, it is more likely that customers will end up on the exact page they were looking for and there is a higher chance of purchasing. (BigCommerce, n.d.)
- Improve search in Algolia, add synonyms, look for most searched words in Slovakia – great search experience on website provides benefits in two key areas; Higher conversion and Greater brand loyalty. (Algolia, n.d.)
- Reach out to influencers – influencer marketing is a great way to increase brand awareness and grow new sales, which is why YourSurprise should invest in this marketing strategy. It not only saves time, but it builds credibility and trust and would bring a completely new audience to the company´s website. (House Digital, 2021)
- Research and establish contact with marketplaces – similar to influencers, one of the biggest advantages of using online marketplaces is that it is easier to acquire new customers though them. (Schipperus, 2023)
- Research and add extra payment options – the percentage of shopping cart abandonment is extremely high and one reason for it is the unavailability of different payment options on the checkout page. There are multiple reasons for integrating more payment methods, but the biggest benefit is increasing the conversion rate. (G., 2021a)
- Research big and popular moments in Slovakia – as every country is different, it is important to have content match each country´s needs. As a company specialized in personalized gifts, it should also invest into personalized content.
- Reply to reviews on social media – according to customers, companies that respond to online reviews are seen as 1.7 times more trustworthy than those who don´t. This is something that is not done by YourSurprise and by implementing it, the company would show customers that they care about them. Furthermore, it showcases professionalism. (Google for Small Businesses, n.d.) According to Mergado (2020), as many as 83% of customers are discouraged by a negative comment or review.
- Add automatic replies in Slovak to Robin (a customer service tool) – In Slovakia, very large percentage of the population does not speak English, which is currently the language in which customer service at YourSurprise operates (if there is not a native speaker present). By adding automatic replies on the most asked questions, thank you message and beginning of the chat, the customer service would be faster and would create more personal approach to the customer base.

The more detailed description of each recommendation is provided in the handbook "Action Points for Slovakia 2023" alongside priority status and responsible department.

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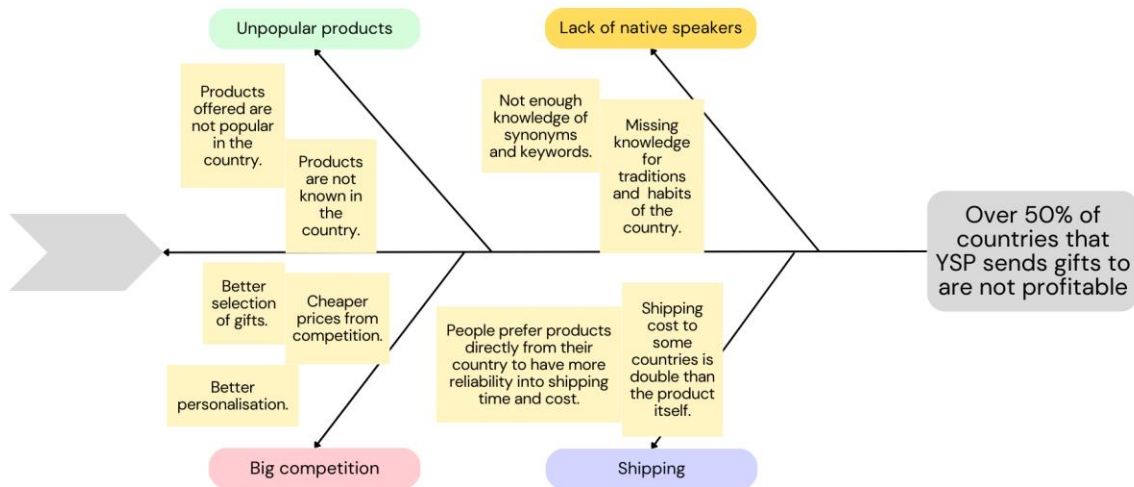
7.Appendices

7.1 Appendix A - The What, How and Why
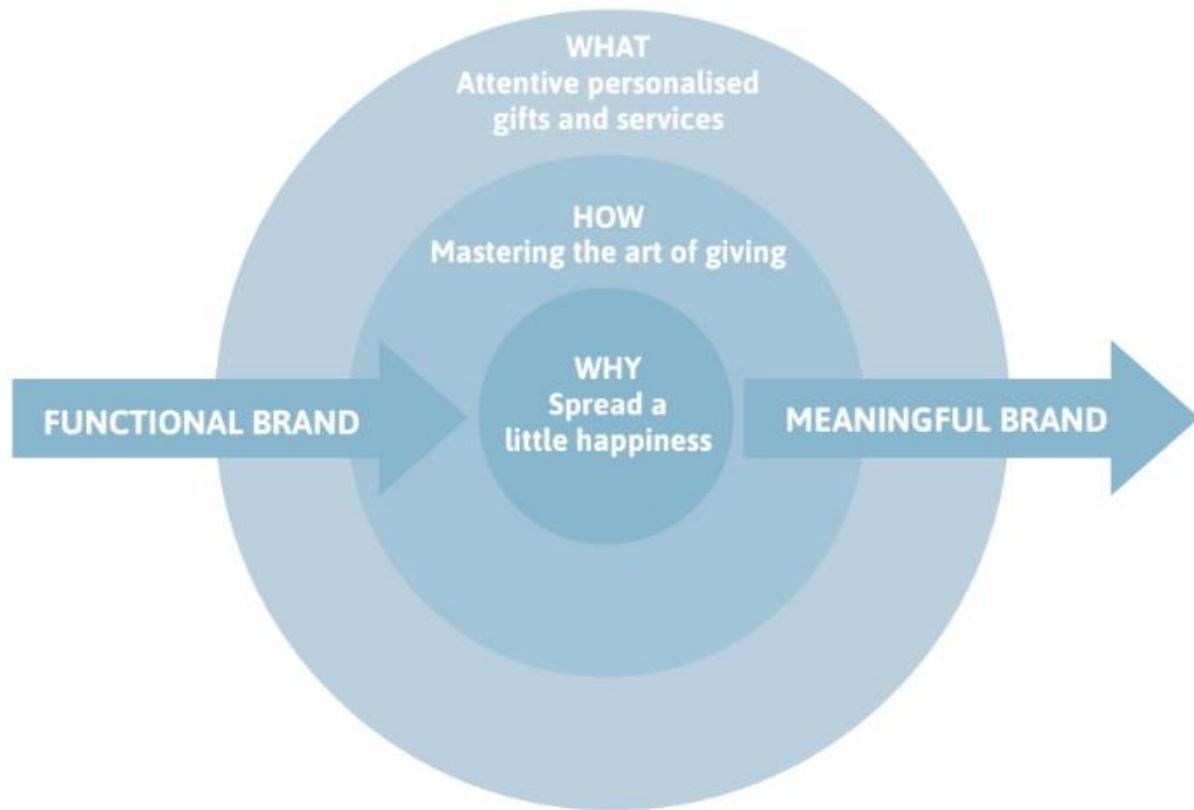
7.2 Appendix B - Fishbone Diagram
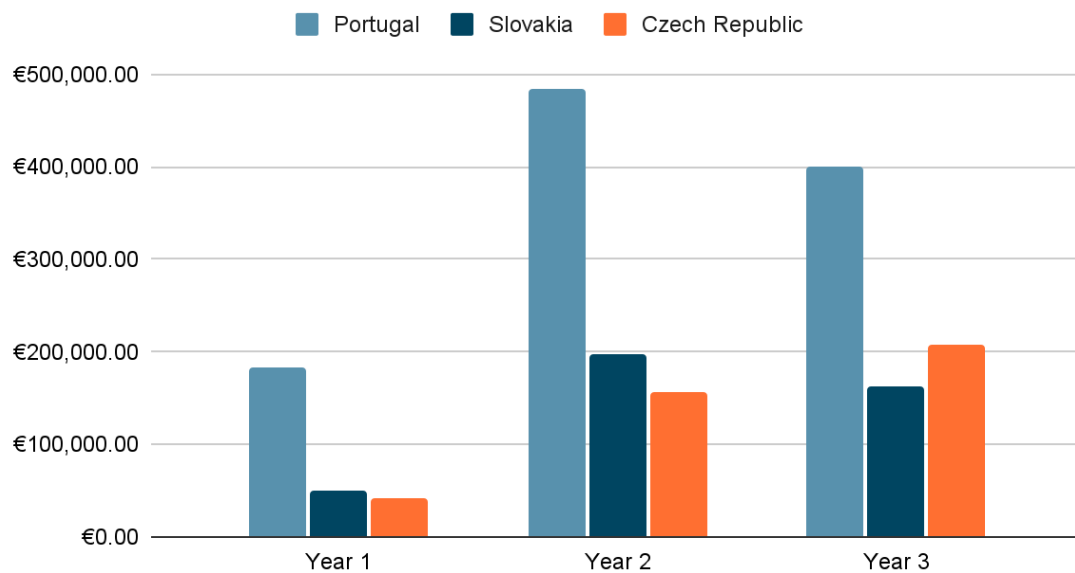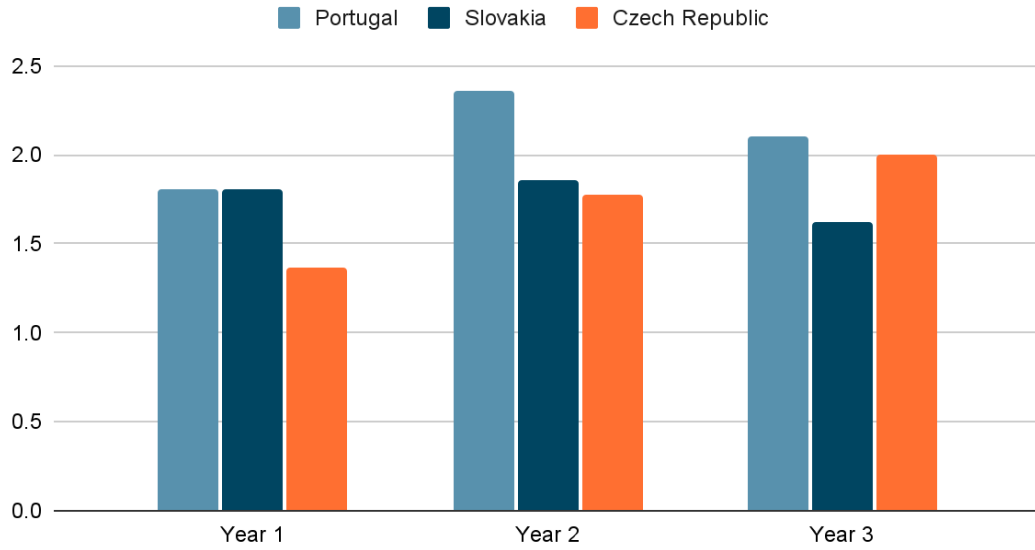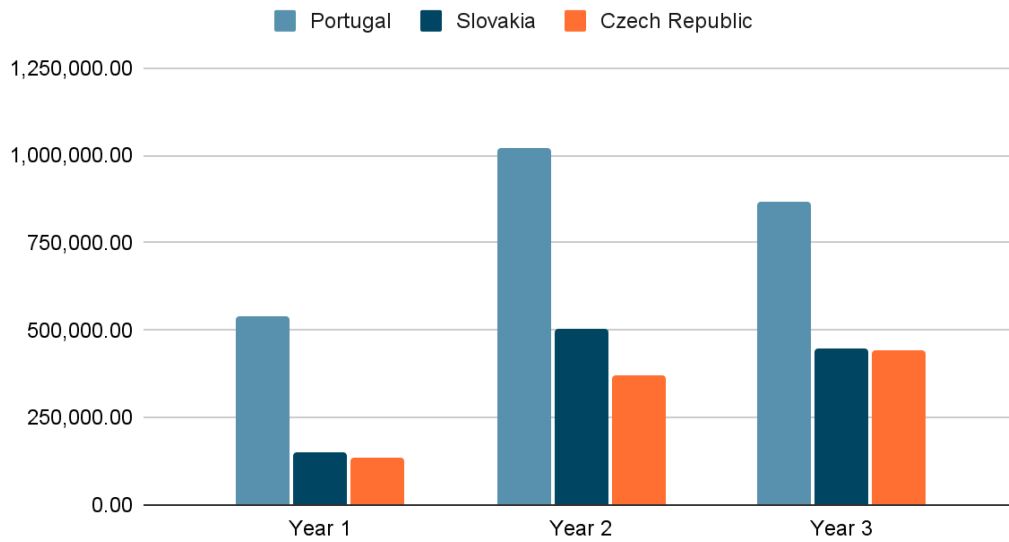

7.3 Appendix C - Revenue

7.4 Appendix D - Conversion
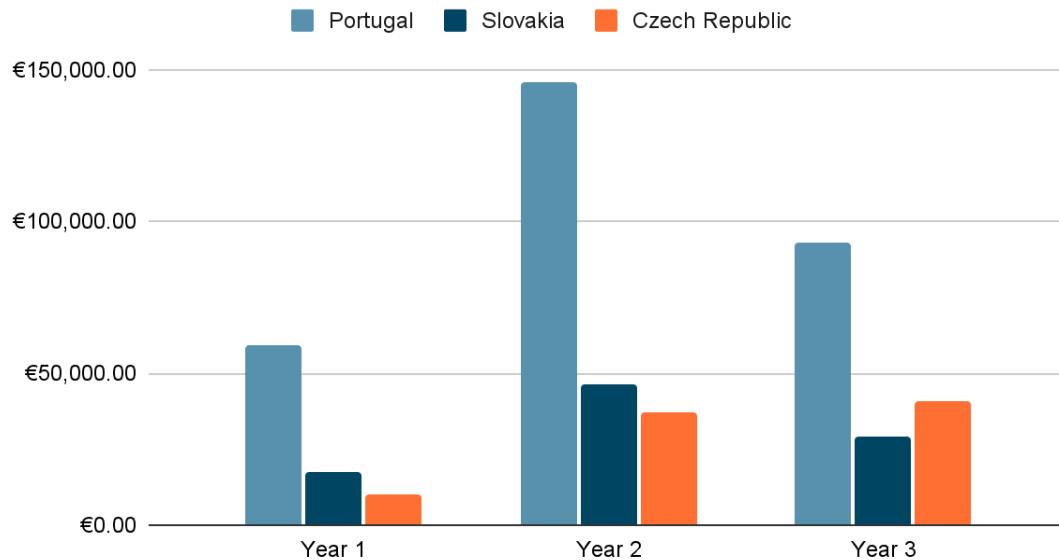
Conversion (%)

7.5 Appendix E - Sessions

Sessions

7.6 Appendix F - Gross margin

Gross margin

7.7 Appendix G - Interview questions

1. How are the new countries chosen?
2. How much does it cost to have non-focus countries operating? Why are the countries kept even if they are not profitable; e.g. Brazil.
   - Waiting for break even
   - Influence all the other countries
3. Since when there is a split of Focus and Non-Focus countries and how is this profitable for the company.
   - August/September 2022
4. What are the biggest differences between Focus and Non-Focus countries
   - Shared doc
5. Were the countries split before? How? Did this split work?
   - Work in regions (first 3 regions for a short time)
   - The same was done for all countries
6. How does a country have to perform to be considered Focus (Slovakia, CZ are profitable, but where is the line in order to be focus)
   - Profitable, have a development curve growing in the last few years in sessions, CR, returning customers, how easy is to implement things, newsletter database

7. How do we monitor the progress of the Non-Focus countries? (In a case that they are continuously growing and generating profit, how do we keep track of that since we only share Focus countries results in the weekly e-comm, ship meeting, regions meeting, etc.)

7.8 Appendix H - Tasks for Focus/Non-focus countries

	Tasks	Focus countries	Non focus countries	Impact
Gifts	New Gifts - share gift ideas for planning	Yes (new gift ideas from focus countries)	No	
Gifts	New Gifts - introduction on website + translations new gifts	Yes, translating and introduction new gifts.	No, only translate and introduce new gifts if we have native speaker inhouse	Besparing bij Textmaster, overzicht behouden van cadeaus die niet live staan.
Gifts	New Gifts - Introduction follow up + evaluation	New gifts check on website (pages, editor, designs, grammar)	No, only check if we have native speaker inhouse.	
Gifts	Existing Gift improvement and optimizations.	Yes	No, only check if we have native speaker inhouse.	
Channels	SEO (moments / categories)	Yes, write SEO texts	SEO text big moments only (Christmas, Black Froday, Valentine, Father's day and Mother's day)	Besparing bij Textmaster, in overzicht bijhouden welke pagina;s geen SEO test hebben.
Channels	Blogs	Yes, write Blogs	No blogs	
Channels	Newsletter	Sent newsletters on a regular base.	Newsletter once a month or less and only 2 with a big moment, or standard automated email flow.	Check with Lilian
Channels	Facebook (organic)	Organic social posts (use deepl or google or native inhouse)	No organic social posts, only big moments	
Channels	Facebook (ads)	Yes, FB advertisment	Facebook ads, only ongoing retargeting	Check with Christine / Dorian.
Channels	Affiliates;	No proactive role for content marketeers	No proactive role for content marketeers	
Channels	Collaborations, Influencers, New Socials.	Yes, active search for new collaborations.	No new collaborations.	
Channels	Marketplaces	Marketplaces	Make sure marketplace is profitable.	
Website	Algolia	Optimize with algolia	No algolia optimization (EA ranking, synoniemenYes / No). Big moments like Christmas. No suggestions.	
Website	Homepage	Country specificl homepage	One general homebox group / one general home page banner. Four big moments (1 moment of optimization)	
Website	Menu	Individual menu	General menu (later, automatisch menu)	
Website	Moment Theme pages.	Algolia, manual product push if necessary	Algolia	
Website	Grey Bar	Grey bar	No grey bar. (only countdown, last chance in peak period)	
Website	Visuals language	Name and text in native language / country specific.	General name and text.	
Website	KeyWordAnalyses	Yes, KWA	No KWA	
General	Competitor analysis	Yes	No	
General	Time spend on focus / non focus countries (estimated)	4,5 days	0,5 days	
General	Analyse and know your Country / numbers	Yes		
	Next steps;			
	Feedback crew on 1. Focus countries. 2. Tasks: Are we complete?			
	Strategy per country for non focus countries ==> Idea: We accept negative growth, but we have to be profitable. (When are KPI's alarming).			
	Strategy per country for focus countries. ==> Set-up will be prepared this week. (work in this in september with the channels)			

7.9 Appendix I - Interview 1 - Transcript

What are the biggest differences between Focus and Non-Focus countries?
N: For this we actually have a shared doc, have I not shared that with you?
L: Um, no I don't think so, I can look for my shared docs, but I am not sure if I know which one you mean.
N: I can send it over to your email, and then yeah, it is explained there, how we make the difference, with yeah, the tasks and also if something changes we write it down.
L: Okay, I can look on my email and then have a look on that later, so yeah, thank you.

Were the countries split before? How? Did this split work?
N: So in the beginning the countries were split only into regions and we had 3 regions, me, Marit and Marjolein, but then Marjolein had a baby and had her maternity leave so we had to reorganize this and make it work between 2, so we both took extra countries. So basically the split between the regions, we have been doing for longer period now, which gave us the opportunity, like Marit and me, we had the look into the numbers and we just told people what to do or to adjust and, or to have a look into and then the content marketers have been doing basically the same, like adjusting the website and yeah.
L: **But before it was Focus and Non-focus, then there were also, yeah, regions, but how were the tasks kinda done?**

N: Before that, we only had the content marketers.

But was the work done for every country the same?

N: We tried, yes. That was the biggest struggle, actually that we tried to do all for all countries. Yeah. Thats, yeah. I don't think that we go back to that one.

L: Wasn't the best probably.

N: No, we would like to have it, maybe, if we can work more (inaudible)

L: I think that's also just a big struggle if more of the countries that we have don't have native speaker.

N: Also that, yeah, exactly. So it's yeah. I think for the, yeah, now it's the Non-focus countries, I think they somehow have been already, because everybody tends to spend more time on like one country, or maybe two, and the one with the less visitors, you also tend to spend less time on, because the effort is not the same .. the outcome of the effort is not the same. But now, it is clear and strict in the tasks, like okay, even if somebody wants to do different, it's not time now to do. I have to tell Kat, lot of times "No don't do that." Because she obviously was responsible for Poland, because she is from Poland, but yeah, at the end of the day, now we have to put our time, because we were always complaining about time limitations and now we need to put more our time into countries were we really get the profit from.

L: Yeah. I think I also like understand Kat, because also if I do now for Slovakia, of course I want to see Slovakia to do better and improve, but I understand it is a non-focus country and yeah.

N: Yeah, yeah. And then, would that answer your question?

L: Yeah.

How does a country have to perform to be considered Focus (Slovakia, CZ are profitable, but where is the line in order to be focus)

N: Well to be considered as a Focus country, first of all you need to be profitable at all and have a the kind of development curve in the last couple of years, like growing somehow in sessions, or returning customers, or yeah, conversion rate, and also the potential easy by, uh yeah, how easy to implement things, like for example now you are here, we also give you the opportunity to translate the gifts for Slovakia, usually we would not do that and then yeah. And if you see for example, your newsletter database is growing, so you would get more out of almost unpaid channel and yeah. It has to be a bigger chunk of the all over revenue basically. And profitable.

L: Yeah of course.

N: That's also why we had the big discussion about Italy, because it is really a country that costs a lot of money, Germany also does, but there is a lot of revenue coming from Germany and the market from Germany is different than in Italy and the conversion rate in Germany is really really good compared to Italy for example. And at the end of the day, we only decided to keep Italy, because we also had Feliscia.

L: But you think if Feliscia wasn't there, then Italy wouldn't be a Focus country.

N: Probably not, no. Because it's also a big part of the overall turnover and it was really not profitable at all. And yeah. I think if you wouldn't have had a native speaker, we would have said no.

L: Yeah, okay.

How do we monitor the progress of the Non-Focus countries? (In a case that they are continuously growing and generating profit, how do we keep track of that since we only share Focus countries results in the weekly e-comm, ship meeting, regions meeting, etc.)

N: And the last question is a very good question to be honest, because I don't know if you really have a date now to review that, because I also have it on my own agenda, the question, if you will continue anyway with the Focus, Non-focus, because it works out well at the moment, or if we just switch back to the regions and put all the effort in all the countries and when will there be Focus country and Non-focus country turning into a focus country. That is a, to me it's also an open question now, but I think at the end of the day, yeah, when it is like a, for example, Norway, usually wouldn't have been a focus country but at the end we made it last minute a focus country because there is a lot of revenue coming from this country, and you can ask high prices, but in the beginning I tended to say No, we don't do it, because the NPS was low, people were complaining about the deliveries, they did not trust us and yeah. So I can say, when you for example see improvement in revenue and NPS for example, that could be a good indicator to think about making a country a focus country again.

L: Yeah, but, more kind of like, who checks it, or when, or how often.

N: Well, for now I think we have been working with this for 3, 4 months now and in the beginning we decided for half a year and yeah. Or I can give you an answer after I have my development review today, because that will be exactly the same question.

L: Okay nice, thank you. Yes, that is all the questions I had.

7.10 Appendix J - Interview 2 - Transcript

L: So the first question was how do we choose new countries. So, yeah.

M: Sorry, what was, how did I choose what?

L: How do we choose the new countries? So when we want to, like put YourSurprise into a new country or new market, then how do we choose new countries?

M: Ah, okay. Well, we do several researches, so first of all we look at the size of the country, so yeah, if there is a very very small country, then that potential is not that big maybe. Uhm, so it is a combination of size of a country, how much people are earning in a country, how there buying behavior is and also bit looking at the trends, and a part is also, all besides that a kind of feeling you have, should have for a country, but you try to do as much as possible based on data and yeah, for example, search volume on assortments or the search volume in yeah general, these are some of the biggest things we are looking at and also how much people are spending in a country, because if that is really low, then they have less money to

spend and if that is in combination with a low search volume, then that potential isn't that big. So that is basically how we, first of all decide if a country could be potential, something we can go to.

L: And is this like some kind of timeline, or are you checking it like constantly and then just come up with idea.

M: No, normally how it goes at YourSurprise is that they said, that was always a goal, I am not sure how it is right now, because we said every 2 years we want to add 4 countries and this was always a goal. So I did it, I think 2 years ago, it was a project for, I think half a year, that started with, okay what are the options and we did a lot of research and we searched for articles about countries and yeah after it went live, it is not that we are actively looking for opportunities, but I think it is also, when we see on the eu website a lot of people buying from a country, that you would say like ,Hey I see a lot of people buying from this country, maybe we should have a look., We also took that into our research as far as new countries. But it is not like an ongoing process.

L: Yeah, that makes sense. And then we have some, yeah Non-focus countries until now and they are really not profitable, like for example Brazil, so right now that there is the non-focus and focus, does it cost anything the company to have it operating or..?

M: Well, do you mean for example like Brazil, if that costs money right now or?

L: Yeah because when we were checking Brazil really is no, there are no gifts going to Brazil or no one is really ordering to Brazil and does it cost company something or is it okay to just kind of leave it to run. Or what is the reason that we still leave it online?

M: Yeah, that is also a nice thing about only having a website, it does not cost company a lot. Brazil is also a country we add two years ago and yeah, the investment is that you, yeah, of course the time from IT, from us to do the research to put everything live, to do the translations, so that was a small, yeah investment we made, but furthermore, right now it doesn't cause us really money, because the ads are just going, running with the ROAS, so yeah, we are making sure that we do not spend a too much money in that country, for example Leander also has a special rules with the post companies, so that is also why the new countries, the shipping is quite expensive, because we have low amount we, yeah, send out. But sometimes when we see the potential in the country, we can also choose to really push and spend a lot of money and we hope we will earn it back later if it is a bigger country. But for example in Brazil, it is for now, it is not a big deal, because, yeah, it is not that it costs us every month a lot of money or something.

L: Yeah, so it just makes sense to leave it online and then wait for it to kind of ..

M: Uhm, yeah, that is in a company quite often a discussion point, um yeah, should we still have such a lot of websites, uhm I think we made the first step with the focus and non-focus countries already, so there are also, we had a lot of discussions like should we put things offline, because of course it is, at the end it costs some money, because we still advertise and people are looking at it. But for now this is the solution and I think the most important thing is if the result overall is good then uhm yeah, we should not be that worried, if we are not wasting too much money.

L: Okay, yeah, we can just see if something happens naturally.

M: Yeah, yeah, exactly. Sometimes it happens, but yeah sometimes it won't and then personally I think at some point you have to think like Should we keep it online or not.

L: Alright. Then I had since when there is a split of Focus and Non-focus countries, and Nicole said that it is since August or September.

M: Uh, yeah I think so.

L: Yeah.

M: I wouldn't… Was it there when you arrived already?

L: Yeah.

M: And when did you..?

L: And I came September.

M: Yeah, I think it was somewhere in the summer. Yeah.

L: And then I had what are the biggest differences between Focus and Non-focus, but that also Nicole gave me a shared document, where there are all the tasks and how differently we do them for each country.

M: Yeah.

L: And then how the countries were split before? So, if it wasn't Focus and Non-focus, was there another kind of system?

M: Did Nicole answer that one or?

L: She said that there was work in regions, so there was 3 regions for a short time.

M: Yes, that is correct. It's basically, how we did it before was that one person was responsible for one country and you were responsible for content and um the data part and that indeed we divided in 3 regions, so Mariolein had a region as well, and basically the idea there was that the region leads were focusing more on data and were looking at data from that country and other person was more about the content part. So that is how we did it before and that is basically how we still do it a bit, but then only with the focus countries and a region less.

L: And then the same was kind of done for all the countries.

M: Yeah, that is the biggest difference now, that we have less, we have to spend less time on the non-focus countries. And in a, yeah, the idea was that you have more time to optimize things in the focus country. But yeah, not sure if that always happened, but that was the idea.

L: And how does a country have to perform to be considered focus, so when it was introduced then what was looked at and yeah.

M: Uhm, for some countries it was quite easy, so first was revenue, so yeah, the biggest countries with the most revenue were just easily decided, and then yeah, there were some countries around the same revenue, or some with less. And then we also looked at potential to grow. Bram made also whole calculation with different points to look at, for example shipping, margin, revenue and he gave countries numbers and then based on that we said like okay, we think that this country has more potential to grow than another country, so we will make it a focus country and uhm. So for example, discussion point was Portugal at that time, because we had struggles with shipping there and it was expensive and we couldn't find another shipping partner and at that point we said, okay we will make it focus country,

we try for half a year to invest and now we decided to make it non-focus country, because we can't really see a big impact, so yeah, we took it out now and just let it go how it goes.

L: And put another country instead.

M: I am not sure if they did. Probably yeah.

L: Oh no, Norway was instead of something else I think.

M: It could be, could be Portugal.

L: Yeah. I am not sure. Maybe.

M: Yeah.

L: And then yeah, but who does monitor the non-focus countries? So how are they performing, like, right now or how do we monitor it, because usually when we have the ship meeting or when we have the region meeting, at least our region, we talk about the focus countries, so we don't really look into the numbers of the non-focus ones.

M: Uhm. Well, if there are big things happening, we discuss it in the performance meeting on monday. And then, we have a quick look what is happening there, but overall it is not that that if it is not performing really really well, because we said that it is fine if it is performing less, because we are not spending money, yeah, spending money and time on those countries, but if there are, or is something strange happening in a cart for example, or there is really something wrong we discuss it in the performance meeting and we will fix it anyway. But it is not that someone is ongoing and looking at the results, only when there is something wrong or big happening and we think we can fix this.

L: Uhm. And then you notice like, oh this country might be performing really well.

M: Yeah, yeah.

L: That can also happen.

M: Yeah, that can happen. Yeah.

L: But now (interrupted) … yeah?

M: And for example, Koen and Nick, they send an email to Nicole and I last week about 2 countries that are non-focus and they see big potential in and then for example next week we will sit together, like what things are things we can do easily or what they see right now that can be easily fixed. So, if, yeah it is also the other way around, if they see something they think is really easy to fix or has potential, they share it as well.

L: But before Christmas, it was kind of discussion that there will be a new ship structure and it might not be anymore split between focus and non-focus, and I don't know, what do you think about that or how do you feel?

M: Well, I think the split will be there anyway.

L: Yeah?

M: Yeah, I think. I am pretty sure.

L: Yeah I don't know. I think just before Christmas it was kind of, yeah, that there will be a new ship structure, so.

M: Yeah, there will be a new structure, I think, we are working on it, but I think, well in the meeting last week we had about that, we agreed that the focus, non-focus is working really good, and I think everybody agrees on that as well so I think we will keep that part.

L: Okay, yeah that was all actually.

7.11 Appendix K - Revenue all countries

Revenue

Ireland
1.8%

Italy
2.0%

Norway
2.2%

Denmark
3.3%

Austria
5.0%

Sweden
4.7%

Switzerland
8.6%

France
10.3%

Netherlands
25.9%

Belgium
14.6%

Germany
13.4%