

CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

Department of Economics



BACHELOR THESIS

MARKETING AND ADVERTISING ON THE INTERNET

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Department of Information Technologies

Faculty of Economics and Management

BACHELOR THESIS ASSIGNMENT

Smrčka Max

Thesis title

Marketing and advertising on the Internet

Objectives of thesis

Objectives of thesis are introduction of some marketing strategies and their use throughout the internet and research how successful they were in the past. Popular internet tools to create advertisements will be recognized in the thesis. Another objective is to analyse internet users preferences in advertisements and also how they respond and if they are influenced by different types of advertisements.

Methodology

Methodology of the thesis contains study and analyses of specialized information resources. For practical part would be used answer sheets which will examine internet users preferences in advertising and partially in marketing strategies. Last part of thesis will contain conclusion and summary of information gathered from the internet users.

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Marketing strategy, advertising preferences, social network advertising, search engine marketing, marketing principles, e-business, target market, marketing technology

Recommended information sources

1. Sweeney, Susan - MacLellan, Andy - Dorey, Ed. 3G Marketing on the Internet, Seventh Edition: Third Generation Internet, Maximum Press, 2006, 216 s. ISBN 9781931644372.
2. Kotler, Philip - Armstrong, Gary. Principles of marketing. Pearson Education, 2010 , 13th edition, 613 s. ISBN 9780137006694.
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Statutory Declaration

I, the undersigned, declare that the thesis “marketing and advertising on the internet” is wholly my own work, and only sources I used are listed in the references.

In Prague 12th March 2013

.....
Max Smrčka

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Marketing and Advertising on the internet

Marketing a inzerování na internetu

Summary

The goal of this thesis is to introduce the concept of marketing and advertising on the internet and present chosen strategies for marketing and advertising purposes used on the internet.

This thesis is divided into two parts. The theoretical part describes the principles of marketing and advertising and introduces important elements related to this topic.

The practical part deals with monitoring of selected website and analysis of information about visitors, competition and others. The assumptions of future development based on information from theoretical part as well as knowledge from the practical part were made. The assumptions were then compared to research's results. According to the results the assumptions were either confirmed or rejected. Also the comparison of the competing e-shops was made and they were evaluated based on position in search engines.

Souhrn

Cílem této práce je představení konceptu marketingu a inzerování na internetu a prezentovat vybrané strategie pro účely marketingu a inzerování na internetu.

Tato práce je rozdělena na dvě části. Teoretická část popisuje principy marketingu a inzerování a představuje důležité elementy spojené s tímto tématem.

Praktická část se zabývá sledováním vybrané webové stránky a analýzou informací o návštěvnících, konkurenci a dalších. Na základě informací z teoretické části a poznatků z praktické části byly stanoveny předpoklady vývoje v budoucnosti. Tyto předpoklady byly porovnány s výsledky z praktické části a pak byly potvrzeny buď jako správné, anebo jako chybné. Dále byly také srovnány konkurenční e-shopy a byly ohodnoceny na základě jejich pozic ve vyhledávačích.

Keywords: marketing strategy, social network advertising, search engine marketing, marketing principles, e-business, marketing tools

Klíčová slova: marketingová strategie, inzerování na sociálních sítích, search engine marketing, principy marketingu, e-business, marketingové nástroje

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1. Introduction

In the last few years internet marketing and advertising took a huge leap. Every year there are more computer users and therefore using internet as marketing and advertising tool is nowadays very popular, because it is easy to deliver offers to customers. And with fast spread of social networks in last five years it became even more easy and efficient.

In this thesis will be examined some of marketing strategies and techniques, which are used on the internet and how they were successful. Marketing is important part of business, because it is a method how to inform customers about new offers and products. Advertising is basically a propagation tool of marketing and with approach of the internet there were invented new types of advertising. Unfortunately, it also had its disadvantages in form of unwanted e-mails, which are called a spam. Spam is one of the biggest threats in the internet and amount of the spam is rising every year.

There are many companies, which develop different tools to help the internet users to propagate their firms and products and in this thesis are going to be introducing some of the tools. These tools are quite simple and can be used by everyone, but they are not free of charge. Their advantage is that they are simple to use so their user can use with basic knowledge of the internet.

2. Objectives and Methodology

2.1 Objectives

This thesis's objective is analysis of marketing strategy tools. At first the important terms are introduced and this topic is theoretically described. In second part which is focused on author's research the analysis of the marketing strategy of chosen web site was made.

The research was focused on analysis of the marketing strategy of the chosen e-shop. It consists of two steps; the marketing strategy of the e-shop focused on sales of electronic cigarettes and related accessories was monitored and examined. The features of this marketing strategy were described and commented. Also some print screens were made in order to make the thesis more comprehensive.

Based on the information from the theoretical part as well as on knowledge from practical part some assumptions about the future development were made. These assumptions were compared to the results from the practical part. According to the results the assumptions were either confirmed or rejected.

Also the comparison of the competing e-shops was made and they were evaluated based on position in search engines.

2.2 Methodology

The analysis of the marketing strategy was made by examination of the chosen e-shop's strategy. The features of the strategy were described and commented and there were also some schemes and pictures employed in order to make the reader more familiar with the topic.

Based on information and knowledge from both theoretical and practical part the future development scenarios were assumed. These assumptions were then compared to the results from the practical part and they were either confirmed or rejected.

The comparison of the position in search engines of the competing e-shops was made by searching particular keywords in search engines Google.com and Seznam.cz. Results were recorded and finally were placed in the table. This table demonstrates the positions of the e-shops and evaluates their strategies.

3. Marketing

3.1 Definition

Marketing can be defined as “The management process through which goods and services move from concept to the customer. As a practice, it consists in coordination of four elements called 4P's: (1) identification, selection, and development of a product, (2) determination of its price, (3) selection of a distribution channel to reach the customer's place, and (4) development and implementation of a promotional strategy“ (Business Dictionary, 2012).

"Marketing is the performance of business activities that direct the flow of goods and services from producers to consumers." This is the first official definition of marketing which was adopted in 1935 by the National Association of Marketing Teachers, an American Marketing Association (AMA) predecessor organization. The AMA adopted it in 1948. This original definition stood for 50 years, in fact, until it was revised in 1985. Then, in 1985, AMA defined marketing as *"the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives. It is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders"* (AMA, 2012).

The related term is marketing research, which is defined by AMA (2012) as “the function that links the consumer, customer, and public to the marketer through information--information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process. Marketing research

specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their implications” (Doole and Lowe, 2008).

Marketing involves:

- focus on the needs and wants of customer
- identification of the best methods of satisfying those needs and wants
- orientation of the company towards the process of providing this satisfaction
- meeting organisational objectives (Doole and Lowe, 2008)

The purposes of the marketing are various. The assumption is that the goals of making marketing are:

- building awareness, trust and credibility
- facilitating the process of decision making
- decreasing the risks connected with customers or preferred prospects (Doole and Lowe, 2008)

3.2 Marketing Strategies

There are an infinite number of individual implementation strategies that small and medium-sized enterprises (SME) might adopt, but the generic marketing strategies are a useful starting point.

3.2.1 Porter’s Competitive Strategies

According to Porter (1990) firm’s aim is to create the competitive advantage in order to achieve growth. He suggests companies to adopt one of the following three generic competitive strategies.

- Cost leadership

The company has to establish a lower cost base than its local or international competitors. This strategy is often implemented in countries with lower labour costs and by companies which offer rather services than goods. This strategy forces firms with high

prices out of the market. The new competitors with lower prices occur while the currency exchange rates change or there is instability.

- Focus

The focus strategy deals with the firm's concentration on one or more narrow segments. The companies work in order to dominate one particular segment across a number of country markets. This strategy requires high level of customer a technical service support. Unless the company creates a highly specialised niche, it could be difficult to defend it against local and international competitors.

- Differentiation

By implementing this strategy the company tries to differentiate itself from other competitors. The company has to offer something more to customers. It is made by differentiating of product, service or marketing mix. This strategy requires systematic and continuous innovation and continual adding customer value. The company needs to be flexible, adaptable and the management could require more time and financial resources.

3.2.2 Ansoff's Growth Strategies

According to Ansoff (1957), there are four main strategies to achieve growth in the company.

- Product penetration

This strategy is implemented when company has an existing portfolio of products and it occurs in its target market, when the company had already penetrated the market. It allows the company to expand its sales and revenues.

- Market development

One of the most obvious strategies for development is to increase a geographical coverage. The more space the company covers the higher potential for increasing sales it has.

- Product development

When company has a good product, but the sales are not sufficient in the current market, it is necessary to find another market.

- Diversification

This strategy is used in international markets when the demand for company's products is rapidly decreasing. Resources are available, but the company is not able to produce effectively from some particular reasons. The company has to develop new product and penetrate a new market.

	OLD product	NEW product
OLD market	Penetration	Product development
NEW market	Market development	Diversification

3.2.3 Doole's Three Components

Another topic for marketing strategies is concerned with international marketing strategies. According to Doole (2000) there are three major components to the strategies of companies successfully competing in international markets.

- An effective relationship strategy, which was achieves thanks to strong customers relations, a commitment to quality products and service and a dedication to customer service.
- A clear international competitive focus achieved through knowledge of the international markets, a strong competitive positioning and a strategic international perspective.
- Well-managed organisations with culture of learning, companies willing to learn and innovate, show energy and companies with effective monitoring and control.

3.3 Online Marketing

3.3.1 History of Internet marketing

The beginning of internet marketing occurred between years 1994 to 1996 in USA. In 1994, zero dollars was invested to internet advertising, because that time internet was new technology and not many people realised back then what is going to happen in next couple of years. The rise of internet began in 1996, when over 300 million dollars was invested to advertising in the USA.

Internet started to spread with incredible speed with more surfers logging in every day. In late 1990's, Internet had already millions of users who used internet every day and many businesses were determined to reach this new audience. Web sites emerged for companies in basically every industry, offering numerous products and services to as many people as possible. That time, many companies realised that it is not enough to create web pages but also that they need to drive traffic through their sites or to specific advertisements.

To show how the Internet marketing was successful, story about drug company Bristol-Myers Squibb Co. should be sufficient. This company launched marketing campaign to raise awareness for a new drug, Excedrin. To attract new customers, they offered every person who clicks on advertisement, one free sample of Excedrin to anyone who provided their name and address. According to *Business Week* writer Linda Himelstein, the response was very positive. In just one month, Bristol-Myers added over 30,000 new names to its customer list and they accomplished it with just half costs, what they would pay for advertising with traditional method (Free Encyclopedia of Ecommerce, 2012).

3.3.2 E-mail marketing

Although the first email was sent in 1971 by a computer engineer Ray Tomlinson, people started to use email around a year 1991, which is often called “year of the birth of the internet”. Until 1996 just some people could use sending emails, but it changed when Hotmail was founded and it became first Web-based Email service. It became popular very quickly which lead to deal in which Microsoft Company purchased Hotmail for 400 million dollars in 1997 and rename it MSN Hotmail.

3.3.3 Spam

Definition

The term “Spam” refers to submitting the same message to a large group of individuals to try force receivers to read message which they would otherwise ignore. Many internet users have problems with spam messages every day, but fortunately, tools like spam filters or spam blockers were developed to fight spam messages. Nowadays, most of email providers have these tools and spam emails are automatically placed into spam folder and they are deleted after some time so users don’t have to do it by themselves. This is now common practice because of the large amount of spam, received almost every day.

Spammers use these emails to try and sell large variety of products such as drugs, sex pills, porn and much more. Another common reason is that spammers are trying to trick people into giving them some personal information.

Fortunately, as marketing tool, spam messages are not very effective. A recent study showed that it takes about 12.5 million spam emails to be sent in order to achieve a one single sale. There is a number of reasons why they are not effective. The main reason is that there are simply too many spam messages and of course, people don’t trust them. From marketing point of view, these messages are not effective because this type of marketing is not targeted one so many people don’t bother to open and read these messages simply because they don’t care about it (www.spamlaws.com).

Brief history

Even though spam wasn’t introduced along with the internet, it didn’t take it a long time. Although there are many theories about when and where was spam “invented”, there is one theory which is probably true. Apparently, first person to try send a spam message was an employee at DEC (Digital Equipment Corporation), who wanted to send a message to every email, but was unable to do it because of a lack of space on the World Wide Web (former Arpanet).

The first person who actually did send the first offensive email was Dave Rhodes in 1996. Thousands of users received message that said just: “MAKE MONEY FAST!” The most interesting twist of this story is that Dave Rhodes maybe never existed because University which he supposedly attended claimed that it had no records of him. It is possible that someone copied his information and used it to avoid problems (www.spamlaws.com).

3.3.4 Protection of personal information

In the era of the internet the issue of protection of personal data is becoming more and more important. The internet is very useful tool for finding information for individuals but it is also the tool which gathers information *about* individuals as well. Data about individuals are collected by surveys, visits of web pages and registrations there and via orders of goods. There are also some non-obvious ways of collecting of data such as cookies or web sites collect. The amount of data about individuals saved on the internet is increasing every second and so does the problem with that. The collecting of personal data is cheaper than ever and it is a good business nowadays to collect data and sell them. Even when the person does not register at any web site the digital track of his activities on the internet are recorded and can be used and abused by the third party (Klosek, 2000).

The official institutions try to minimize the personal data abuse and therefore many directives and laws were declared. For instance the European Data Protection Directive states which data are personal and sensitive and defines the conditions under which the data can be spread. The term of “personal data” was defined as “any information relating to an identified or identifiable natural person”. As identifiable person someone who can be directly or indirectly identified by the information from the internet is understood. The directive strictly limits the collection, use and exchange of personal data. The individuals have right to know who is collecting their personal data, for what purpose, where the data comes from and what is done with it. The Directive defines the term of “sensitive data” as well. This data is defined as every data which can reveal the ethnical origin, political opinions, sex life or religion. This data is forbidden to collect and use except some very strictly defined cases (Klosek, 2000).

CAN-SPAM Act

Given that the amount of Spam had risen every year, it was no surprise that the United States created CAN-SPAM Act in 2003. It stands for "Controlling the Assault of Non-Solicited Pornography and Marketing". This act was established to set requirements and penalties to those who send commercial emails while also giving consumers right to ask senders to stop spamming their email accounts.

The CAN-SPAM Act is enforced by Federal Trade Commission (FTC) and Department of Justice has also authority to enforce criminal sanctions. There are several other agencies which can also enforce the law in their restricted jurisdictions as well as internet providers who have rights to sue potential criminal actions and violations.

According to spamlaws.com, the CAN-SPAM Act has four main parts:

- False and misleading header information is banned
- Deceptive subject lines are prohibited
- Opt-out methods must be provided
- Receivers must be warned of sexually explicit material

Violations of these provisions can lead to the fine up to \$11,000. To help identify spammers it's important to report spam rather than just delete it. This can help to reduce amount of the spam in the future (www.spamlaws.com).

European Union Act

In 2002, EU established Directive 2002/58/EC concerning processing and protection of personal data in the electronic communication sector. This act deals with a great amount of regulations and restrictions included in electronic sector. EU countries are restricted to implement included actions to their own legislatures if missing (europa.eu).

Main parts of Directive 2002/28/EC are:

- Processing security
- Confidentiality of communications
- Data retention
- Unsolicited communications ("spamming")
- Cookies management

Czech Republic

In the Czech Republic, there is a law n. 101/2000 Sb. in the civil code from a year 2000 which deals with protection of personal information. This law distinguishes between persons who gather information about other people and persons who have their personal information gathered. If law is broken, accused people can face sanctions which can be up to 5 million Czech crowns but it depends on the nature of committed crime (<http://www.oou.cz/>).

Google policies

For instance Google is very open to its users. Google explains its users which data, how and for what purpose does it collect. It offers some possibilities to users to access the collected data and refresh it. Google collects data in two ways:

- data provided by user directly
- data provided by users indirectly by their activities on the internet:
 - Information about device used
 - Information about the location (GPS)
 - Information from protocol
 - Unique numbers of application
 - Cookie files and local identifications
 - Information from local repository

Users are able to maintain their data, edit them and modify the settings. Google shares the information of the individual only with the permission of the individual. Google shares the information with the administrators of domains, external companies or because of the legal issues. It protects the data and every user has the access to the information about his data (Google Company, 2012b).

4. Advertising

4.1 Definition

This thesis deals both with marketing and with advertising. It is essential to define also term “Advertising”. According to Ward (2012) it is attempting to influence the buying behavior of the customers (clients) by providing a convincing selling message about buyer’s products and/or services. She also distinguishes different types of advertising. Some are effective for small businesses, from traditional forms of advertising such as yellow pages, signage, listings and newspaper advertising through newer forms such as pay per click advertising on the Internet. Advertising is only one way of promoting the business, and it is crucial for the companies to fit their form of advertising into their marketing plan and the overall strategy.

Advertising is “*a paid, mediated form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future*” (Richards and Curran, 2002).

This definition is very simple, very clear, but need some explanation. It is *paid*- the reader has to realize that some messages that look like advertising are not paid in this sense. For example, public service announcements, announcements in the newspapers or in television. Also some announcements on social networks or YouTube, which are made by non-professionals, seem like advertising. These messages work similar like advertising but are free of charge, therefore it is not (mostly) advertising. Advertising is *mediated*, which means it is carried via media such as TV, newspapers, magazines, internet and so on. When one person informs another about sales in local supermarket, it is not advertising, but it is simple interpersonal communication. The mediation is often mass which means that the message is delivered to the large mass of people. Advertising is *communication*. It means that some source passes the information to the receiver. Communication can be either verbal or nonverbal. Advertising communications are more complex and require the services of high-skilled professionals. Advertising is persuasive in nature. The level of persuasiveness varies, but the aim of advertising is to make people do some action (Thorson and Duffy)

Another definition comes from Clemmons (2009): “Advertising is using sponsored commercial messages to build a brand and paying to locate these messages where they will be observed by potential customers performing other activities; these messages describe a product or service, its price or fundamental attributes, where it can be found, its explicit advantages, or the implicit benefits from its use”.

4.2 Online advertising

This part of this bachelor thesis is focused on the means of online advertising which are used on the internet, the World Wide Web (WWW). There are many categories of online advertising; the most frequent one is *web ads*. *Web ads* are defined as web advertising; delivering of message to the customer via internet. The *web ads* category comprises banners, pop-up windows, web ad traps and their advertising messages. Another category of online advertising comprises emails, newsletters, different types of e-sponsoring, some synchronous and asynchronous chat groups, online games and website. But this category is not understood like online advertising in common sense (Janoschka, 2004).

The internet is now one of the most powerful tools for communication. Advertising is understood as a type of communication, therefore it was natural development that internet became the most powerful advertising tools in the world. The number of users is continually increasing as well as the number of various web sites and the volume of content. Web sites can be accessed in three ways:

- typing in the address bar the URL of the webpage the user wants access;
- using search engines;
- using hyperlinks such as text links or web ads (Janoschka, 2004).

The web sites have many different functions, such as providing information, substitution of communication channel, providing entertainment and so on. Web sites can be also very useful advertising instrument. But the web sites are not advertising themselves; they are just a medium for that. Web pages enable us to advertise our interests, but they do not make it themselves. The World Wide Web is multimedia and it is based and as such serves the exchange of information- text, graphics, and audio. These data and

documents are connected by hyperlinks. All computers with internet connections can communicate among each other and once the content is placed on the internet, it can be downloaded by whomever, wherever and whenever. In 2004 the 93% of Americans used internet mainly because of email. This number has decreased in past years and people are used to use internet such as tool for searching information, buying goods and for communication. This provides a very good position for internet advertising. People use internet a lot and it is very easy to place some advertisements to the web page content (Janoschka, 2004).

The advertisements are available 24 hours per day, 7 days a week and they are interactive. That is the reason why the early stages of online advertising seemed to predict an extremely profitable future. In the 1990's there was an economical boom and people were very enthusiastic to invest money into online advertising. Internet was understood as new and perspective medium which offers great results with low costs. In the last decade of the 20th century the first web sites were introduced on the Web as corporate sites or information platforms. Web sites quickly carried the predecessors of ad tracks as we know them now. The first ad tracks were mostly static due to lack of technology. It did not last very long and these first web ads were improved. They became animated, employed the interactive elements and also other technical formats. However, compared to other known advertising media, online advertising is still in the beginning of the life. It is the youngest, but probably the most powerful type of advertising (Zeff and Aronson, 1999).

4.2.2 Online advertising methods

Banners

A banner is defined as a graphic display that is used for advertising on a web page. The size of the banner has usually proportions from 5 to 6.25 inches in length, 0.5 to 1 inch in width and it is measured in pixels. A banner ad is linked to the content of the advertiser's web page. When user „clicks“ the banner, he is transferred to the advertiser's site. Advertisers design banners in a way which attract the visitor's attention and to

persuade him to make an action. It is important to choose proper format and colors in order to aim to the advertiser's aim group. Banners often include video clips and sound, these features make them more attractive. Banner advertisements very often include pop-up banners and it is the most commonly used form of advertising on the internet.

There are several types of banners. Keyword banners appear when a predetermined word is queried from a search engine. For decreasing the chance of the advertiser's success the search engine optimization is employed. They are effective for companies that want to narrow their target audience.

Random banners appear randomly, without any action from the viewer. Random banners are often use by companies that want to promote their brand or introduce new products (e.g., a new movie or CD).

Static banners are always present on the web page and usually they are not moving and they don't disturb viewers as much as other types.

Finally, pop-up banners appear when least expected and they are considered as one of the most annoying advertising method used throughout the internet. Viewers are often not aware that they open pop-up banner and it can lead to downloading viruses which are very dangerous to all internet users.

If an advertiser has some information about a visitor, for example a visitor's user profile, it is possible to compare available data and assign specific banner with that visitor. Obviously, these targeted and personalized banners have more potential to attract the visitor and therefore, be more effective.

In the future, banner ads are expected to greet people by name and offer various deals, such as traveling to their favorite destinations. These *personalized banners* are being developed by some companies, for example, by Dotomi (dotomi.com). They work on the system in which Dotomi delivers ads to consumer who opts in to view its system. Initial results show a 14 percent clock-through rate, which measures the success of a banner in attracting viewers to click, versus 3 to 5 percent with standard non personalized ads (Turban, 2010).

Pop-up and similar ads

One of the most annoying part in web surfing is the increased usage of pop-up, pop-under, and similar ads. A pop-up ad, which is also known as *ad spawning*, appears due to the automatic launching of a new window in opened browser when a visitor enters or exits a site. When pop-up ad launches, it's located in front of the active window. A pop-under ad is located underneath (in back of) the active browser window. After users close the active window, they are able to see the ad. Some pop-up ads cover the viewer's current screen and may be difficult to close sometimes.

Pop-up and pop-under ads are often criticized by internet users and that is why they are considered controversial. They are still legal although there have been attempts to control pop-ups because the most people consider them as a form of spam. Fortunately, most internet browsers provide an option to block pop-up ads and even they have been successful so far, pop-ups often surprise almost every internet user, no matter how skilled he is (Turban, 2010).

E-mail advertising

E-mail is maybe the most single used feature on the internet so it is not a surprise that e-mail advertising is used very often. Companies and other sellers keep lists of people who used their services or bought their products and they sell new offers and newsletters to all people who are on these lists. E-mail messages can include promotional audio clips, video clips or links which can redirect viewers to web page where they can make the purchase. Although is e-mail is one of the oldest features on the internet, its popularity is still very high and it has become legitimate and relied-upon marketing channel.

E-mail advertising has a lot of advantages such as its low cost and ability to reach wide spectrum of targeted people, but many users tend to ignore e-mail ads because they receive every day many of them and they consider them as a spam. Most of the companies nowadays ask for permission to send ads to its customers while also providing an option to turn off receiving e-mail ads, because if they wouldn't they could be easily accused for spamming (Turban, 2010).

Search engine advertising

When users want to find any information on the internet, most of them use search engine, therefore it is a great tool for online advertising. Among search engines companies should be mentioned companies like Google, Excite, Lycos, AltaVista, Bing and Yahoo. They index millions of pages on the internet, so every internet user is able to easily find any information he desires. Indexes are large databases of web sites that include their contents, links, keywords and texts (www.techterms.com).

There are two major forms of search engine advertising, one is URL listing and the other one is keyword advertising.

URL listing is based on mechanism where search engines allow companies to put forward their internet addresses, which are called URLs (Universal Resource Locators) without paying any money and then these addresses can be searched electronically with a very high speed. Search engines are able to scan all contents and links located on these web sites and then include them in future searches. The main advantage is again, low cost because this tool of advertising is basically for free. This method became very popular, mainly thanks to Google.

Keyword advertising was created by Google as a new advertising technology which links ads to user's keywords. These keywords are selected by advertisers. Advertisements are located on the right side next to the other results. This tool increase chance that user can be interested in given ad. Google also allowed companies to bid for their position in found results so companies who pay more money will be listed higher in found results. Actually, over 90 percent of Google's revenue is generated from this technology and it also made Google "the online advertising king" (Turban, 2010).

Social network advertising

This method is considered by many people as revolutionary way how to reach targeted customers. Although social network advertising is one of the most popular ways how to advertise, especially thanks to Facebook and Twitter, the market is far from being mature. Main advantages are that companies are able to target potential customers, because of the user's demographic information and therefore they can use ads more appropriately and also that social network users can often promote some ads to their friends and therefore promote some brand absolutely for free (Turban, 2010).

4.2.3 Google advertising and analytic tools

Google AdWords

This tool is related to search engine advertising, which was mentioned in the previous chapter. Users who want to advertise through this method can choose their own keywords or phrases which are related to their business and then when visitors search on Google and use these keywords or phrases, Google AdWords place those ads next to the search results, therefore these ads are shown to an audience which is already interested in related business. Users can choose how they can reach customers, they can choose from text, image or video formats to communicate with customers.

Google AdWords is a popular tool because its users are charged only when their ad is clicked by a visitor, not when the ad is displayed. This allows users to see how efficient their ad is. Another advantage is that users are able to set their preferred budget and therefore control fully their advertising. They can, for example, set a daily budget of twenty dollars and a maximum cost of 5 cents for each click on their ad.

Another smart tool is estimation of costs and keyword traffic, so users can make better decisions with their advertising.

Google also provides *Placement Performance Report*, which allows users to review their ads performance to see impression, click, cost and conversion data. With this tool you are also able to check visibility of appearance of all used ads on given sites (adwords.google.com).

Google analytics

“Google Analytics not only lets you measure sales and conversions, but also gives you fresh insights into how visitors use your site, how they arrived on your site, and how you can keep them coming back” (Google.com).

According to (<http://www.google.com/analytics>), there is more than just one tool to monitor user's websites, among these tools belong:

- Advertising Analytics

Advertising analytics are essential for people who invest a lot of money to the internet promotion. With this tool, users can look across all used digital channels such as

social, search, email and others and explore how they affect sales, returns and turnover. To this analytics belongs also integration of AdWords, more efficient usage of search engine marketing, or mobile campaigns.

Another useful tool is remarketing, which provides users an option to view rich insights about customers who show interest in their products or services and then provide these customers targeted advertisements across the web that respond to parameters and data which they are seeking.

- Analysis tools

These tools let users see how many people are on their websites, from where they came from and also what are they viewing. This enables users to evaluate contents on the websites and they can see right away if, for example, new promotion helped to raise traffic on web sites.

Another interesting tool is custom report, which allows user to define information he wants to analyze and obtain data he desires to find out. Then user can quickly create a report and share it with his colleagues.

- Content analytics

This tool enables users to see how often viewers visit each page of the website, how long they stay there and how often the convert. Reports from these actions can be found in the content section.

Other tools from content analytics are in-page analytics, site speed analysis or event tracking. All these tools are made for users to work with websites more easily, understand viewer's behavior on the web page and uncover some potential problems faster than viewers.

- Social analytics

This tool is very useful in last five years due to spreading of social networks. Facebook, Twitter or Google +1 are social networks where people spend a lot of time nowadays so there is no secret that many companies try to advertise on these networks as much as possible.

Social analytics allows users to see comprehensive overview of social networks and activities, such as number of “likes” on Facebook for given product or service. Users can easily find what are visitors sharing and also where they are sharing it, which enables them to plan and promote their products or services more efficiently.

- Mobile analytics

Smart phones experienced quite a “boom” in last few years. Nowadays people who own smart phone can access the internet from almost everywhere and companies are aware of it so they quickly started to develop ways ho to advertise and promote through a mobile phone.

With mobile analytics users can understand how mobile access to the internet influence impact on their business. They can measure ads that lead people to use their application and find out how they prefer to view their ads. Then they are able to create efficiently targeted marketing campaign and reach viewers wherever they are.

- Conversion analytics

Google analytics conversion suite is tool that enables users to view and monitor all digital marketing channels and how they work together in order to achieve bringing more visitors to the websites. This tool can also measure sales, downloads and other actions that have some value to the users. From these measurements can be found out why some viewers visit these websites and not some don’t so the users can adjust their sites and marketing programs to meet their business goals more efficiently.

Although is this tool is for more advanced internet users, learning how to use properly can lead to significant improvement of their business actions and goals on the internet.

4.3 Examples of advertising on some web pages

4.3.1 Google

Google's tool AdWords works basically like this: user uses some keyword when tries to find desirable results and then on results page, first two or three results on the main page and few others on the right side are sponsored links. Therefore, Google shows just a few sponsored links and the rest of results are displayed in the order of relevance of used keyword. With this method, Google makes money on advertisements but do not force users to click on them which is why is Google the most favorite search engine for many people (www.wordstream.com).

Google boty

Internet Obrázky Mapy Nákupy Více Vyhledávací nástroje

Přibližný počet výsledků: 43 000 000 (0,38 s)

Reklamy související s dotazem **boty**

Boty - Unikátní Značky za Skvělé Ceny - botyk.cz
www.botyk.cz/boty
Bleskurychlá Dodávka OKČ, Mrkní!
★ Boty Slevy až -70% - ★ Bronx, Fly London, Blink - ★ Úplně Nová Kolekce 2013

Značkové boty - MALL.cz
www.mall.cz/Znaczkove-boty
Dámské a pánské značkové boty. Výrazné slevy + rychlé dodání!
452 lidí dává +1 nebo sleduje MALL.CZ
Nové - dětské oblečení - Výprodej - slevy až 70% - Bundy, kabáty - Spodní prádlo
1 Mapa adresy Seydlerova 7/2149, Praha 5 - Stodůlky a míst mall.cz v okolí
Trasa

Moderní boty - Vyberte si z naší nabídky - bonprix.cz
www.bonprix.cz/boty
Kvalitní boty za skvělé ceny.

Boty od Bati dostupné online
www.bata.cz/
1 recenze Google
Děti - TRENDOVÁ KOLEKCE - Ženy

Jindřišská 939/20
Praha
222 247 349

Boty, obuv - boty-boty.cz
www.boty-boty.cz/
At už zimní boty, kozačky, tenisky, žabky nebo sněhule a další. Věříme, že si tyto značkové a kvalitní boty oblíbíte. A navíc u nás najdete obrovský výběr ...
Boty - Adidas - Keds - Adio

SvětBot.cz - obuv a boty online

Mapa na dotaz boty

Reklamy

Trendové boty
www.topanky.cz/
Ceny jsou na dně – stálý výprodej, eKošík nad 1200Kč = dodání zdarma!
2 Elišky Krásnohorské, 9 Praha
702 002 433 - Trasa

Vaše nové boty
www.mojenovoboty.cz/
Obujte celou svou rodinu
Sleva pro registrované!

Boty, tenisky, botasky
www.outletexpert.cz/
Poříd si boty z outletu.
Podívej se kolik ušetříš.

Výprodej sportovních bot
www.monkeysports.cz/
Pro velký zájem jsme prodloužili

Picture 1: Example of Google Ads
(Source: Screenshot from www.google.cz)

Controversy

Google was accused in the past of discrimination of internet users. The reason was that Google gathers information about its users, such as searching history and then when user tries to search something, Google automatically tries to show a relevant results which are influenced by previous searches. By this method, Google actually tries to become more effective and friendly to users but sometimes it is not a truth.

Two students in United States with different hobbies, lifestyle and other preferences tried to search on Google word “Egypt” and they were given different results. One got news about civil war in Egypt and the other had displayed offers for vacation to Egypt. That shows that Google has still work to do to improve its services (<http://www.nytimes.com>).

4.3.2 Seznam.cz

Seznam.cz is maybe the most used search engine in the Czech Republic. Czech people knew Seznam.cz before Google and they used to use as main page for searching and email. Email domain seznam.email.cz has the most addresses among users in our country. Seznam.cz uses same method as Google which is PPC (pay per click) called “Sklik” but unlike Google, Seznam.cz displays much more sponsored links than “normal” links based on relevance of used keyword. Although is this negative feature, Seznam.cz is still successful and gain high revenues every year (www.seznam.cz).

Internet [Firmy](#) [Mapy](#) [Slovník](#) [Zboží](#) [Obrázky](#) [Videa](#) [Encyklopedie](#)

SEZNAM.CZ boty [Pokročilé hledání »](#)

▶ [Všechny](#) [Česky](#) [Cizojazyčně](#)

Značkové boty Reklama Sklik:
Diesel, Miss Sixty, Killah a další. Výrazné slevy + rychlé dodání!
[Mall.cz/Znackove-boty](#)

Boty - E-shop
Velký výprodej nové kolekce podzim/zima 2012!
[Stilago.cz](#)

Boty - Levně
Široká nabídka za skvělé ceny! Obuv pro všechny - Na e-shopu.
[Hudy.cz](#)
+ [Ukázat na mapě](#): Bynovec, 138

Obuv Rejnok - kvalitní boty pro celou rodinu, boty-obuv.cz
21.12.2012 Dětské zimní boty: kvalitní dětské zimní boty najdete na [BOTY-OBUV.CZ](#).
Vyberte si dětské zimní boty dívčí i dětské zimní boty chlapecké z ...
[www.boty-obuv.cz/](#) - [Karlovy Vary](#) [Zobrazit na mapě](#)

Boty obuv - boty-boty.cz
... jako my, na další spolupráci. Zároveň Vám přejeme krásné a klidné prožití vánočních svátků, bohatého Ježíška a spoustu splněných přání. Vaše [boty-boty.cz](#).
[www.boty-boty.cz/](#) - [Frýdek-Místek](#) [Zobrazit na mapě](#)

Boty Skateshop.cz
Jen málokdo si v dnešní době dokáže představit život bez bot. Veliká část lidské populace obuv využívá prakticky ke každé své činnosti a proto se výrobci ...
[www.skateshop.cz/boty](#)

Dámské boty, lodičky, kozačky, sandály, žabky, holinky ...
Kvalitní dámské boty značek Tamaris, s Oliver, Jana, Lesta, Kacper, ... Těžké boty KMM

Reklama Sklik:
Dámské boty - Eshop
Kupujte kvalitní obuv za nízké ceny
Vyberte z pohodlí Vašeho domova!
[Blancheporte.cz](#)

Moderní boty
Vyberte si z naší nabídky.
Kvalitní boty za skvělé ceny.
[www.bonprix.cz/obuv](#)

Boty tenisky, botasky
Kvalitní boty z outletu.
Velký výběr, rychlé doručení.
[www.OutletExpert.cz](#)

Design boty ve výprodeji
Nabídka tisíců designů moderních bot za výprodejové ceny
[BrooklynShop.cz](#)

Boty z USA
Nejlevnější ceny, dodání do 3 dnů, nakupujte v USA, poloviční ceny.
[http://www.cz-ebay.cz/](#)

Levná obuv?
Srovnajte si u nás ceny prodejců a nakoupte z pohodlí domova!

Picture 2: Example of “Sklik” advertising
(Source: Screenshot from [www.seznam.cz](#))

Zbozi.cz

Zbozi.cz is subsidiary web page of Seznam.cz. This page compares price on given product throughout the internet and has become the most favorite one for comparing prices in the Czech Republic. This page offers a great amount of comparisons for almost all products sold in our country. From electronics to clothing, all can be found there with links to shops and companies who sell searched product.

There is basically just one true competitor and that is Heureka.cz but Zbozi.cz is still more used by the internet users. Both these pages use similar methods and they both are used a lot for searching the lowest price for given product ([www.zbozi.cz](#)).

4.3.3 Facebook.com

Facebook became the leader of social networks and of course it attracted many companies to advertise. Facebook advertising is based on market segmentation. Facebook gathers all the information about its users and uses cleverly in advertising. The pricing of advertisements is based on how many parameters are put into the market segmentation which company sets up. For example, if company sells an electric shaver for men and they would set up the segmentation just for men; the price would be enormously high. But if they would put additional criteria such as age or city, price of the advertisement would be significantly lower.

This method can be viewed as unethical because Facebook uses personal information for profit but Facebook can't be accused of it because every single user has to agree with Facebook's terms before joining which protects them from problems related with using personal information (www.newfangled.com).



Picture 3: Example of Facebook advertising
(Source: <http://www.napkinmarketing.com/wp-content/themes/napkin>)

5. Practical part

5.1 Introduction

For practical part, author of this thesis decided to monitor marketing campaign on the internet for e-shop “www.ekocigareta.cz” which sells electronic cigarettes and related accessories. For managing a web presence was used Google Analytics tool (G.A.).

There are millions of websites on the internet and tracking how and from where are people getting to websites is now very important to stay competitive in the online market.

G.A. is an easy and free tool to track and analyze this type of data. From keywords to design elements, users can track every single movement on each page of the website and react by changing some elements, reposition tabs and many more.

5.2 Starting with Google Analytics

Adding the code

After setting up Google analytics account, which takes just few minutes, user has to implement the code on the website.



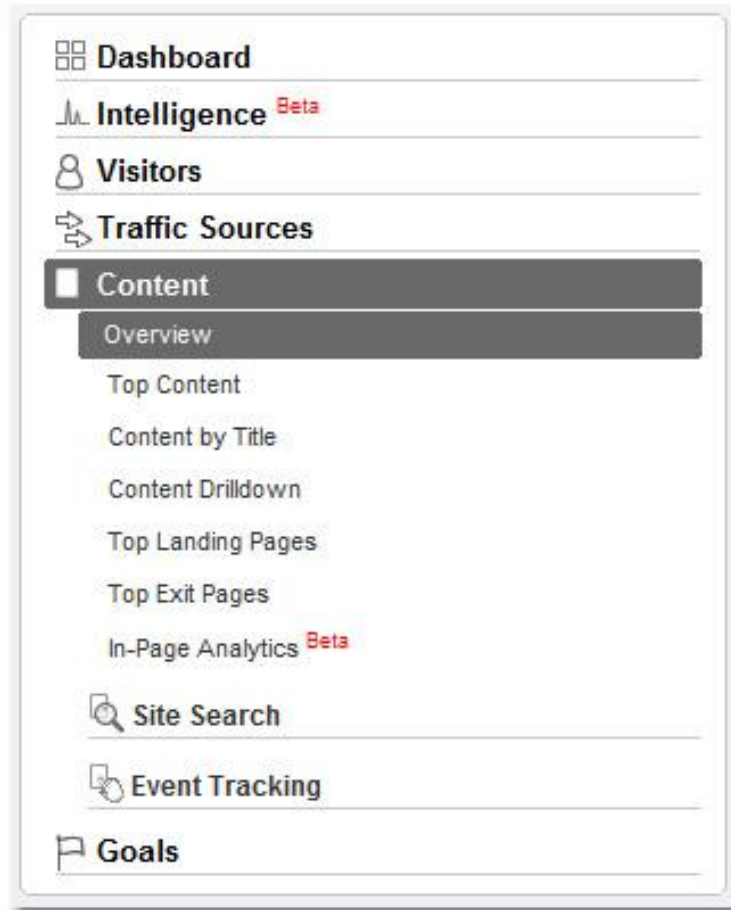
Picture 4: Adding the code in Google Analytics

(Source: <http://mashable.com/2011/05/23/how-to-use-google-analytics/>)

Next, user sets up his preferred profile and then step-by-step process will generate a unique script which can be added.

Measurement options

After connecting website to Google Analytics, on the initial screen click on the “View Report” and main dashboard is displayed. On the left side, there are various data types provided by G.A.



Picture 5: View Report in Google Analytics

(Source: <http://mashable.com/2011/05/23/how-to-use-google-analytics/>)

- Visitors – this tab shows many information about people who visit this website such as their geographic location, how often they visit this site, what language they speak or what computers and internet browsers they use to get there.

- Traffic source – with this tab, user can identify how and from where people arrived to the website. It is possible to track which sites links or keywords people used to get there.
- Content – this tab shows much information about all specific pages located on the website. It can help to identify how people enter or exit given pages or which pages are popular and which are not. User then can react and try to improve pages with low number of visits.
- Goals – this tab is helpful if user has established objectives. Here is data for chosen actions such as amount of users, downloads, registrations and purchases. Then it is possible to generate report card with all the desirable data.

All these tabs have sub reports that give users insights about specific aspects on the website including the most visited content or visitor's loyalty. Chosen data for tracking depends on the user's preferences. For example, using keyword searches can help a site with lot of text content to improve search rankings.

Dashboard set-up

The main dashboard shows summary of the website's data. Dashboard can be customized to show wanted reports upfront. Reports can be repositioned by dragging and dropping or deleted if not wanted.



Picture 6: Dashboard in Google Analytics

(Source: <http://mashable.com/2011/05/23/how-to-use-google-analytics/>)

Data tables and visualization

Most of the reports included in Google Analytics, such as page views and conversion rates can be seen as linear graphs that represent data for chosen topic and selected time range. There are several options to view, it depends on the user what he wants to see or compare. If some objective in page views is established, it is easy to compare current numbers with expected or desirable amount of page views.



Picture 7: Table example in Google Analytics

(Source: <http://mashable.com/2011/05/23/how-to-use-google-analytics/>)

Reports sharing

Sharing reports in Google Analytics is easy and fast. There is an email button at the top of all the reports and it is possible to set up pre-scheduled sending email. Reports can be also exported as PDF, XML, CSV or TSV file, which can be quite helpful when it is need to present the report.

5.3 Assumptions of future development

Before monitoring the campaign, author of this thesis decided to make a few assumptions about measured results. Since it is very hard to presume number of total visitors, just a selected characteristics are going to be assumed such as country of a visitor or main sources of visitors.

5.3.1 Audience

Assumptions for results in “Audience” category are:

- Country – the majority of visitors is going to be from the Czech Republic followed by few from Slovakian Republic, because observed website is available only in Czech language which is quite similar as Slovakian language.
- New vs. returning visitors – in this case, this website profits from chosen keywords such as cigarette or eco cigarette, which can attract a lot of people and therefore there are going to be more new visitors than returning. It is essential for every e-shop to have more new visitors than returning in order to be successful.
- PC vs. Mobile – although mobile internet became very popular with the rise of smart phones, it's still high likely than more than 85 percent of visitors are going to visit this website from PC.

5.3.2 Traffic sources

Assumptions for results in “Traffic sources” category are:

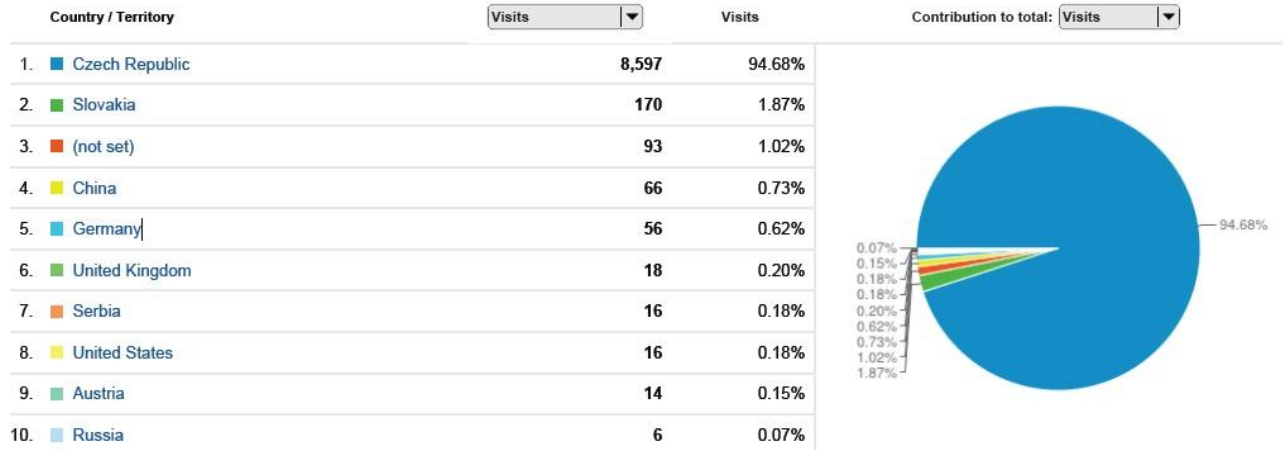
- Search sources – more than half of visitors are going to come from search engine sites such as google.cz and seznam.cz, with seznam.cz leading overall.
- Referring sites – since seznam.cz is very popular among the Czech citizens, referring sites are probably going to be sub sites of seznam.cz such as zbozi.cz.
- Keywords – main keywords, due to name ekocigareta.cz, should be ekocigareta, e-cigareta.
- Social networks – Facebook should be dominating in this category while Google+ and few others following.

5.4 Measurements

This website has started on 24.10.2011 and author of this thesis decided to measure and monitor first year, therefore time range has been adjusted to 24.10.2011 – 24.10.2012.

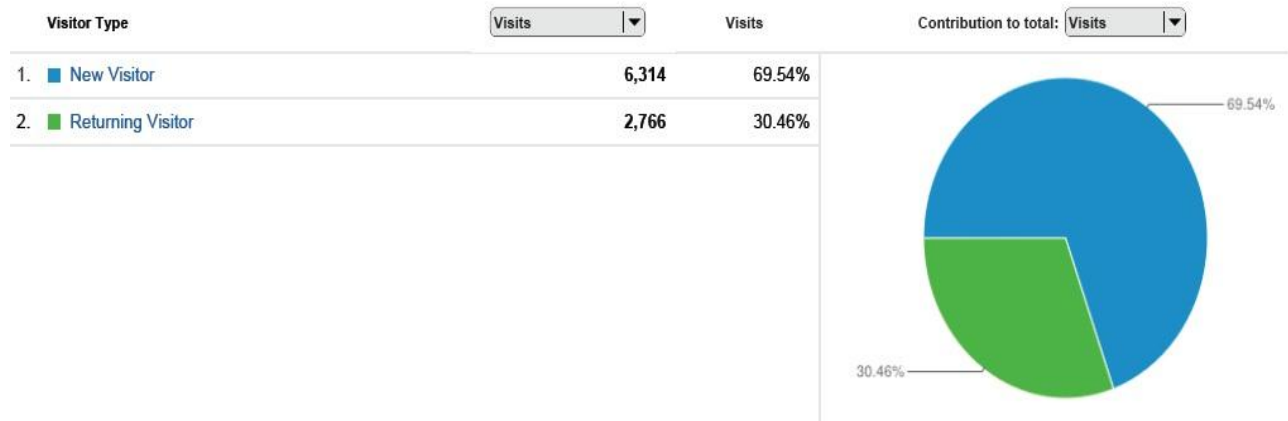
5.4.1 Audience

- Country



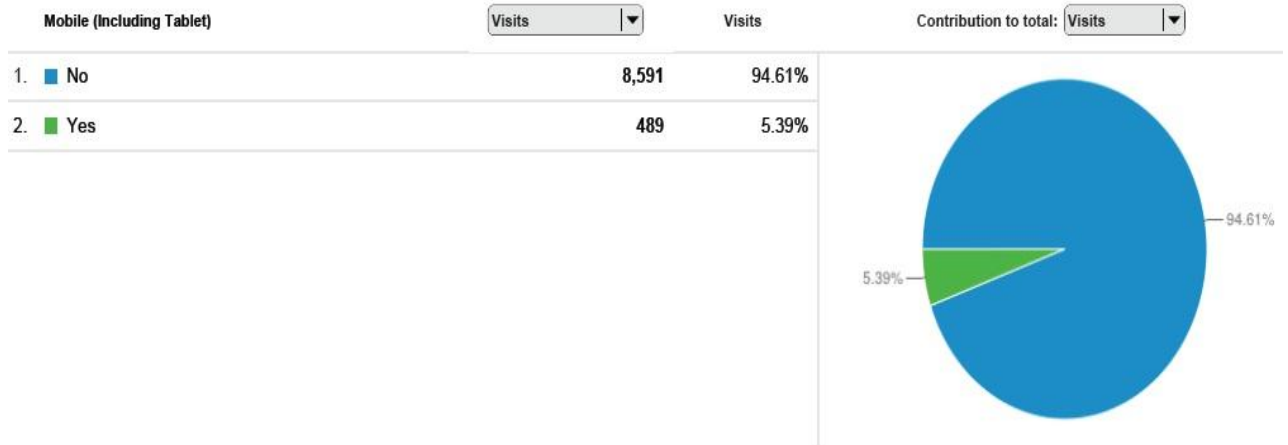
Picture 8: Division of visitors by country

- New vs. returning visitors



Picture 9: Division of new visitors and returning visitors

- PC vs. Mobile

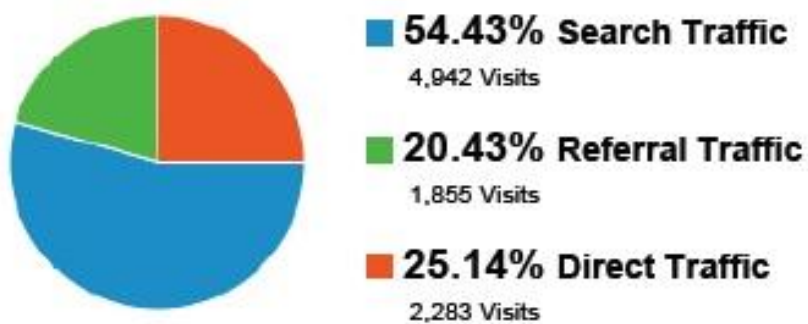


Picture 10: Division of visitors using Pc or Mobile device

5.4.2 Traffic sources

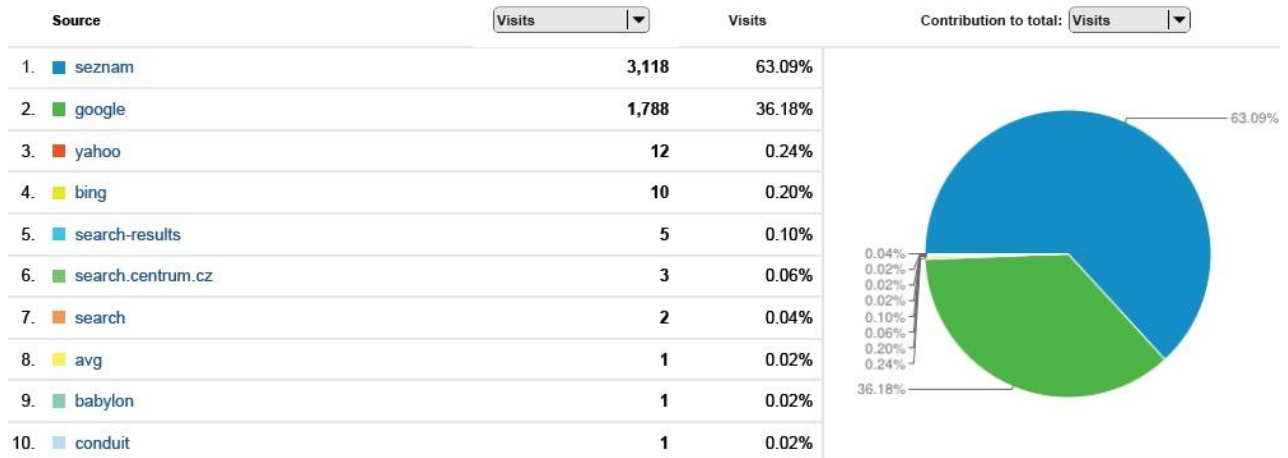
- Sources

9,080 people visited this site



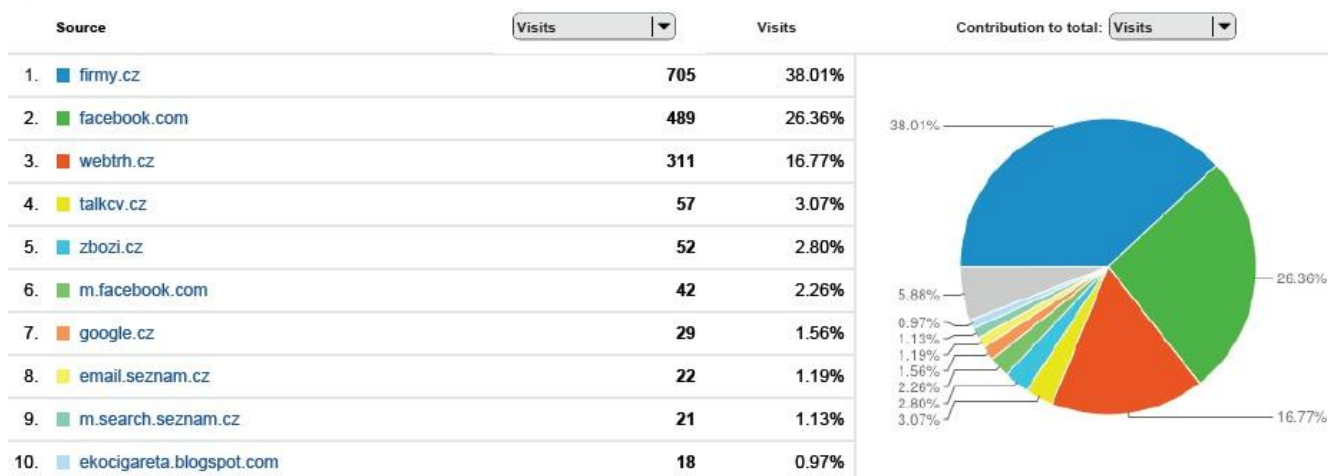
Picture 11: Division of visitors by sources of traffic

- Search traffic



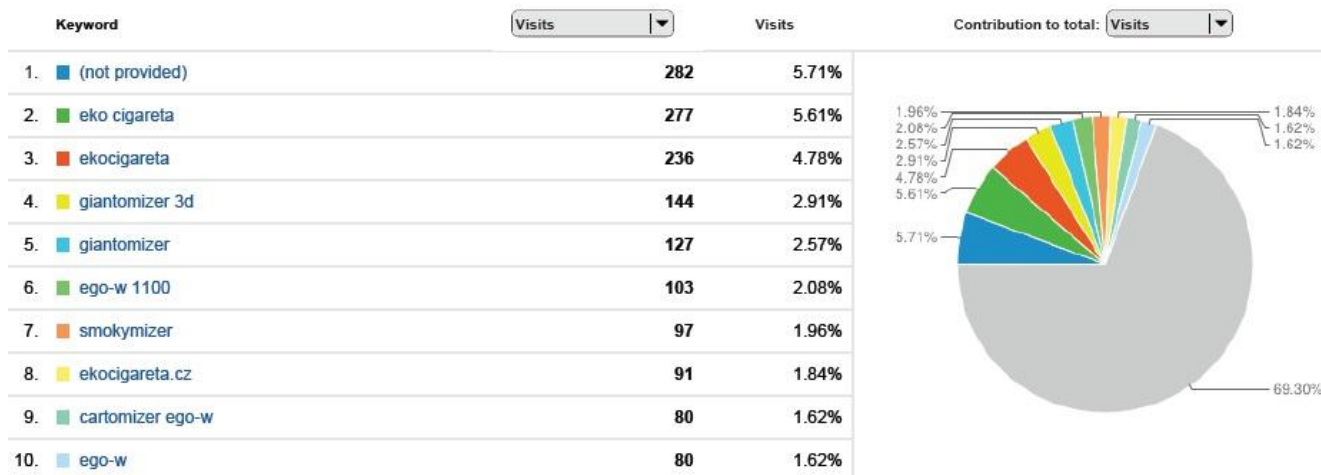
Picture 12: Division of search traffic sources

- Referral traffic



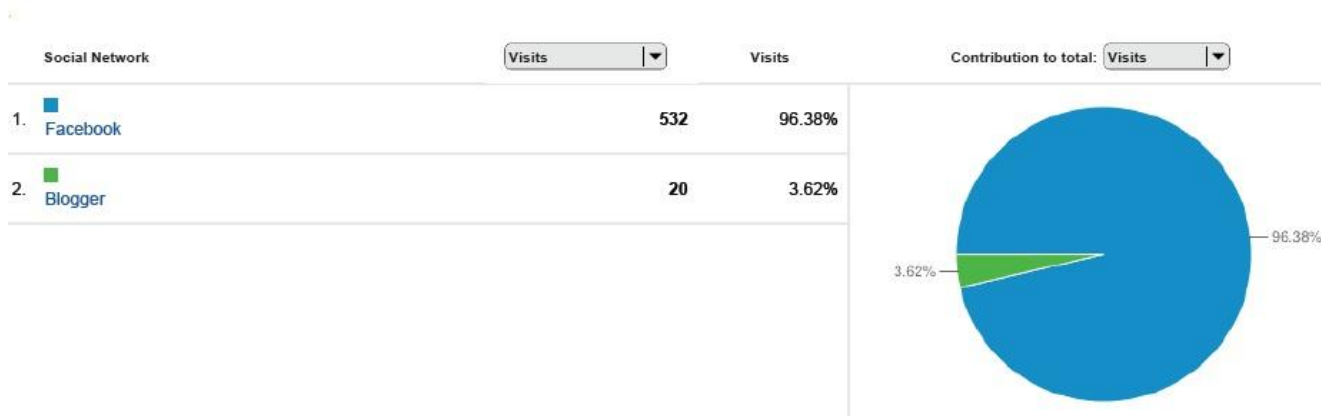
Picture 13: Division of referral traffic sources

- Keywords



Picture 14: Division of keywords sources

- Social networks



Picture 15: Division of social network sources

5.5 Results

5.5.1 Audience

- Country – nearly 95% of visitors are from the Czech Republic, followed by nearly 2 % from the Slovakian Republic. Given that this website is available only in Czech language, result is not surprising and therefore, prediction was verified.
- New vs. returning visitors – the ratio is 70 – 30 % in favor of new visitors, which is also not surprising result, therefore prediction was verified as well. For a website is good that 30 % of visitors can be considered as loyal visitors.
- Pc vs. Mobile – result shows that nearly 95% of visitors came from Pc which is 10% higher than was predicted. This result shows well that even though mobile internet is on the rise, Pc users still dominate on domestic internet market.

5.5.2 Traffic sources

- Search sources – as expected, Seznam leads this category with 63% followed by Google with 36.2%. Seznam shows that despite Google’s high popularity throughout the entire world, Czech citizens are still loyal to them. Prediction was verified.
- Referring sites – Firmy.cz, sub site of Seznam, leads with 38% followed by Facebook with 26.4%. Zbozi.cz gained only 2.8% which is less than was predicted. This result show enormous impact of Facebook, which is clearly gaining more attention in marketing and advertising sector.
- Keywords – this category has no real winner, but “eko cigareta” is ranked second in the list which was expected. Notable is also keyword “giantomizer” ranked fourth, it is name of component included in e-cigarette.

- Social networks – as both assumed and expected, Facebook dominates this category with 96.4% followed by Blogger with 3.6%. This result shows that administrator of website leaned heavily on Facebook, believing that other social networks do not have a power to compete with it. That is understandable, because there is no strong competition now that would challenge Facebook as marketing and advertising medium.

5.6 Competition analysis

For this analysis, author of this thesis chose some websites which also offer electronic cigarettes and then analyzed their positions in search engines Google and Seznam and then analyzed if they used selected marketing channels to promote new offers, deals and others.

Results refer to period of the first week of February, 2013.

5.6.1 Search engine and keyword analysis

For this analysis, search engines Google and Seznam will be used and it is going to be shown in table if they use Google Ads or “Sklik” advertising methods. Since observed website of this thesis doesn’t use any of these two advertising methods, it could be interesting to see if their competitors do.

For purpose of this analysis, keyword “elektronická cigareta” will be used. The table below shows if given website uses mentioned advertisements and what position they have among the search results. If websites don’t use any of these two methods, the table shows their position among other related search results.

Domain	Seznam			Google		
	“Sklik”	Page	Rank	Google Ads	Page	Rank
www.3dcigarety.cz	✓	1 st	3 rd	✗	10 th	4 th
www.ecigareta.eu	✓	1 st	4 th	✗	8 th	1 st
www.elektronickacigareta.cz	✗	1 st	5 th	✗	4 th	2 nd
www.e-cigo.cz	✗	1 st	6 th	✗	2 nd	4 th
www.ecigarety.eu	✗	1 st	12 th	✗	5 th	3 rd
www.e-cigarety.cz	✗	2 nd	8 th	✗	1 st	3 rd
www.ekocigareta.cz	✗	5 th	4 th	✗	4 th	3 rd

Table 1: Competiton Analysis with use of keyword “elektronická cigareta”
(Source: Author, 2013)

This table provides a lot of useful information about people who have websites with electronic cigarettes such as that the Czech users use rather Seznam than Google for promoting their products. As we can see from the table, observed website it this thesis doesn't have very good ranking both on Google and Seznam.

Overall, just few owners use “Sklik” and none of them use Google Ads as well as most of these websites are just in Czech language and therefore aim just for citizens in the Czech Republic. The reason is simple, Czech people use Seznam much more than Google for searching products and owners of websites are aware of it so they don't bother to try to advertise with help of Google.

5.6.2 Marketing channels analysis

For this analysis were chosen three criteria which belong to marketing channels. First, “FB” Profile shows us if selected web page has also profile on Facebook social network. Second, “Banners” tell us if selected website uses banners on its site and finally third, “Newsletter” indicates if given website has option to its users to receive newsletter with new offers and products.

Domain	FB Profile	Banners	Newsletter
www.3dcigarety.cz	✗	✓	✓
www.ecigareta.eu	✓	✓	✓
www.elektronickacigareta.cz	✓	✓	✓
www.e-cigo.cz	✓	✗	✓
www.ecigarety.eu	✗	✓	✗
www.e-cigarety.cz	✓	✗	✓
www.ekocigareta.cz	✓	✓	✓

Table 2: Competition Analysis with chosen criteria
(Source: Author, 2013)

The table shows that owners or administrators are well aware of these channels. As mentioned before, Facebook is incredibly popular in the Czech Republic so it is no surprise that the majority of websites has also Facebook profiles to propagate new products and others. Banners are often ignored by internet users but as we can see, a lot of websites use them anyway because it is easy way to redirect people on the internet to desirable web pages. Although newsletter service is often considered as spam, it is useful tool for every e-shop because it is effective way how to inform customers about new deals, but there has to be an option to unsubscribe newsletter for every user.

6. Recommendations and discussion

There are number of ways how to improve, but it is important to say that many of improvements are connected with additional costs which are unacceptable for a lot of

owners. In most cases it is easy to point out some shortcomings but certainly, it is not easy to actually repair them.

Among recommendations for observed website belong:

- Adding another language – since foreigners represent 4.3% of the Czech population with 240,000 foreigners with long-term stay and 196,000 foreigners with permanent stay (CSU, 2012) and translation costs are not very high, the investment into translation of web pages could be cost-effective. There live more than 109,000 of Ukraine citizens and more than 80,000 Slovak citizens in the Czech Republic, therefore websites in Ukraine or Slovak language could gain 200,000 new visitors. Although there live only 6,000 citizens with English as a native language (MVR, 2012) the website should be translated also into English since it is a universal language which is most often used as a communication language between two foreigners.
- Optimization for mobile phones – in this case it would be probably without effect since just about 5 percent of visitors used mobile phone, but it can be important to the future, because number of mobile internet users is rising every year now and this trend is expected to continue. Unfortunately there is no data about users of cellular internet available. According to CSU (2012b) 90% of consumers in age 18-35 use internet. According to another statistics this users of mobile phones represent 98% of this age group (CSU, 2012c). This age group was also determined as a target group therefore it is obvious that optimization for mobile phones could significantly increase traffic on website.
- Improved search engine optimization – usage of keywords in search engines is now essential for everyone who wants to achieve profit on the internet. Some websites are behind with proper usage of keywords and that is why some people are going to miss websites which can have much more products or better prices than others who just happen to have better visibility on the internet.

7. Conclusion

E-commerce and E-business are the broadly used terms nowadays. As the importance of online business and online commerce grows then the importance of the proper marketing strategy grows as well. All the companies invest significant financial resources into the building of the strategy but sometimes it is not effective.

This thesis deals with the marketing strategy on the internet and is focused on online advertising. The practical part examined the marketing strategy of the chosen e-shop which is focused on sales of electronic cigarettes and related accessories.

The practical part of this thesis examined the marketing strategy and introduced some assumptions about the future development of the e-shop. These assumptions were compared to the results from the practical part and some of them were confirmed. For instance the assumption one assumed that the most of the visitors of the website are Czech. This assumption was confirmed. Assumption that the most of visitors come to the website mainly from Seznam.cz was also confirmed. It was assumed that 85% of the visitors visit the website on computer. This assumption was confirmed and the ratio was even higher/ 95%. Assumption of the significance of Facebook and its marketing influence was also confirmed since it is the most used social network in the Czech Republic. Even though Google is the most used search engine in the world Czech people are still loyal to Czech search engine Seznam.cz.

According to the comparison table which compared the positions of the competing e-shops in the search engines it was found that the examined e-shop has to do some improvements in marketing communication. Its position is worse than position of the most other examined e-shops. For this purpose the search engine optimization is highly recommended to the e-shop owner. Another language interface should be also introduced in order to improve the marketing strategy.

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