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Online Marketing

Case study of five IT companies

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Abstract:

The subject area of this research is online marketing. The study conducted with the aim to explore different ways of online marketing, as well as to examine current online marketing activities in five IT companies in order to show the reader how to build an effective online marketing presence and successfully apply different tools of promotion in Internet. The research question is how do IT companies conduct their online marketing. Therefore, the research is limited by the four major ways of Internet marketing. Moreover, only small and medium companies headquartered in Europe have been studied in order to answer the question in focus.

To gather the data for this thesis the author has mainly used the latest materials with marketing studies. Qualitative research methods combined with the case study have been applied to collect the information. To answer the research question and obtain a practical data the author performed five interviews with the appropriate people from the case companies.

The results shows that IT companies effectively combine different ways of online marketing. However, there is always a way to develop, as Internet is a constantly changing environment. The conclusion indicates the main findings of the study. The findings state that Internet has transformed the rules of marketing; it is a beneficial environment both for business and society; all ways of online marketing should be integrated with each other and applied proactively.

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1 INTRODUCTION

In today's circumstances of fast changing technology, the development of Internet has provided great opportunities for business. Companies found new ways to achieve their marketing goals through the use of tools and features of Internet environment. Consumers have moved online, and marketers have to follow in order to reach them. The Web provides huge benefits for every business. Nevertheless, it is an equally competitive environment for every company. Therefore, SMEs have to be innovative and proactive in order to succeed in dynamic online world.

Basically, IT companies have always been the main innovators of Internet environment. Usually these companies follow the tendencies of technological development, and they are the first among the other industries who take the risks to employ technological advancements in their business models. Therefore, to study marketing in the Internet environment the author decided to take IT companies to show the reader how to conduct online marketing in a most beneficial way.

Moreover, the author has chosen small and medium companies because they become increasingly important part of the economy today. However, they usually have limited resources and therefore find an alternative ways to market their products. Nevertheless, the study shows that to be an expert in Information Technology does not always mean to be a successful online marketer. This way, some case companies are more advanced in online marketing that the others. Moreover, most of the companies in the study are not using Internet to its full potential and there is always a way to improve online presence. Despite the importance of Internet, the case companies represent different levels of involvement in online marketing

1.1 Aim and research question

The aim of the research is to study different ways of online marketing, as well as to examine current online marketing activities in five small and medium IT companies in order to show the reader how to build an effective online marketing presence and apply different tools of promotion in Internet.

The research question of this thesis work is how do IT companies conduct their online marketing. In order to answer the research question the author defined the following objectives of the study:

1. Discuss the evolution of marketing
2. Explain benefits and limitations of online marketing.
3. Explore different ways of online marketing.
4. Study the online marketing in five IT companies.

This research will be useful not only for the companies participated in the study, but any small and medium company, as well as people who want to know more about online marketing.

1.2 Structure of the thesis and sources

The author is sure that Internet is a medium of rapid alterations. So rapid, that the most of scientific studies on this topic becomes out of date very fast. Therefore, writing the theoretical part of this study, the author tried to use the newest literature. However, some chapters deal with older studies simply because of the knowledge degree provided there.

The research represents a scope of data from many different sources. In general, this thesis consists of four parts. The theoretical study includes three parts, and the fourth part is an imperial research of case companies.

The theoretical basis of the research provides modern scientific studies on Internet marketing. The first part of the theoretical study summaries the main aspects of the marketing transformation with the appearance of Internet, and explains the reader why companies nowadays should not ignore the trends of marketing that follows the technological innovations. Mainly, the book The New Rules of Marketing and PR by David Meerman Scott inspired the author and served as a basis for this part of the study.

The second part of the theoretical study explains the challenges that may prevent a successful employment of Internet in the marketing strategies of small and medium enter-

prises, and goes through benefits and limitations of the Internet as a marketing tool. This part forms different marketing studies of small and medium enterprises.

The third part deals with four major ways of online marketing: web site, ads and promotions online, social network, and e-mail. This part is written according to the gurus in a sphere of marketing Philip Kotler and Gary Armstrong and their latest edition of Principles of Marketing. Moreover, for this section the author studied the recent edition of Contemporary Marketing by David Kurtz's, and other appropriate literature in order to obtain necessary information.

The fourth part of the study is an empirical research that describes the online marketing of five IT companies. For the primary data collection the author used a qualitative approach with the case study method, and obtained a data through interviews with the appropriate people from case companies. The data was collected from five small and medium IT companies headquartered in Europe.

As the focus of the study is online marketing, the author felt that it is relevant to apply Internet to gather a primary data for the study and directly see how companies communicate online. Moreover, the most respondents situated outside of Finland and English is not a native language for them. Therefore, electronic medium has been chosen for the data collection process in a form of e-mail interviews. The case companies has almost immediately reacted on invitation to participate in the study and agreed to answer openly the whole interview at once to avoid follow-up questions.

1.3 Methodology

Generally, all data collection methods can be either qualitative or quantitative. For this study the author decided to use qualitative approach. Basically, the qualitative methods applied in order to obtain a complete and detailed description. Qualitative research tends to acquire in-depth information about particular phenomena and it involves fewer participants. On the other hand, quantitative methods tend to estimate, and involve the use of large-scale survey to get the statistical data, contacting many people. (Dawson 2009 p. 14)

Moreover, the author combined qualitative approach with the case study method to study common issue in all its details. Case study method is especially helpful to apply for analysis of organizations (Adams & Khan 2007 p. 112).

According to Gerring (2007 p. 19), "case connotes a spatially delimited phenomenon, observed at a single point in time or over some period of time". Yin (1994 p. 13) defined "a case study is an empirical inquiry that investigates a contemporary phenomenon in real life context, especially when the boundaries between phenomenon and context are not clearly evident". Case study method is used when the study needs to answer the questions "how" or "why" (Yin 1994 p. 18).

To gather practically important information for this thesis, the author applied interview. Interview is an interaction between people with the aim to discover the interviewee's thoughts and feelings and obtain the information about a topic (Tharenou et al 2007 p. 102).

In case when the face-to-face interview is impossible to organize due to the distance and time involved, it may be substituted with phone or e-mail interview. "An e-mail interview is probably the easiest to work with because the answers are written out for the writer" (Diane Martinez et al 2008 p. 381). However, as any other interview it requires a lot of work to prepare. The e-mail itself has to consist from the basic information about the research, reasons for interviewing the respondent, list of questions, thankful conclusion, contact details, and request for follow-up questions if needed. It is very important to know the background of the respondent, because the question is impossible to re-word in e-mail interview. (Diane Martinez et al 2008 p. 381 f.)

To answer the research question five e-mail interviews have been performed with the people who are responsible for online marketing in the case companies. The results have been carefully evaluated according to the research question. Qualitative approach helped the researcher to obtain in-depth information on different online marketing methods used in IT companies. E-mail interviews provided time and freedom to the respondents, and gave the opportunity to collect practically essential information. This way the author performed objectives of the study and successfully answered the research questions.

1.4 Limitations

Online marketing is a very wide topic. It is impossible to cover every aspect of this topic in a degree thesis. Therefore, the research is limited in a certain extent. Instead of going shortly through all possible techniques of marketing through the Internet, the author decided to describe four major ways that the companies use to conduct their online marketing nowadays. These four approaches include in one way or another other different aspects of Internet marketing that is explained shortly in the study. This way the thesis goes through different techniques of the online marketing and describes the major issues.

Moreover, different parts of the world have different attitude towards the Internet. Therefore, the author decided to limit the research and pick the companies from the European countries that have similar level of Internet explosion.

2 TRADITIONAL MARKETING AND PR VS. NEW RULES OF MARKETING AND PR

Information and communication technologies have radically changed the rules of doing business. They became a vital medium of interaction between all market entities. However, technological evolution requires the revolutionary approaches. Traditional marketing model can be applied still, however, it is not that effective anymore. The Web has changed the rules and marketers have to act accordingly (Scott 2009 p. 8).

Internet has a great impact on human behavior. It has influenced the way people make decisions, the way people interact with each other and the way of doing business. (Sharma 2011 p. 202) The old rules of marketing do not comply anymore (Scott 2009 p.8). Consumers have moved online, therefore marketers have to do the same in order to reach them. However, online marketing differs significantly from the traditional marketing communications.

2.1 Traditional marketing

First of all, let the author go through traditional definitions of marketing. According to Kotler & Armstrong (2012 p. 5), marketing is "the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return". Needs, wants, and demands form the core concept of the marketing. Consumers' needs are satisfied through the market offerings. (Kotler & Armstrong 2012 p. 6)

David Kurtz (2012 p.7) defined marketing as "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".

"Marketing consists of actions taken to build and maintain desirable exchange *relationships* with target audiences involving a product, service, idea, or other object." (Kotler & Armstrong 2012 p. 7) The successful marketers make full use of all possible resources available to them, including different media. Nowadays consumers represent the audience that effectively combines offline and online channels. Therefore, marketers have to act the same way. (Emerald Group Publishing Limited 2010 p. 21)

However, the old principles do not work anymore in online environment. Advertisers who simply think that they can transfer their skills and techniques to the Internet are not going to succeed. These rules are outdated. (Scott 2009 p. 7 f.)

Table 1. The old rules of marketing (Scott, p. 8)

- Marketing simply meant advertising (and branding).
- Advertising needed to appeal to the masses.
- Advertising relied on interrupting people to get them to pay attention to a message.
- Advertising was one-way: company-to-consumer.
- Advertising was exclusively about selling products.
- Advertising was based on campaigns that had a limited life.
- Creativity was deemed the most important component of advertising.

- It was more important for the ad agency to win advertising awards than for the client to win new consumers.
- Advertising and PR were separate disciplines run by different people with separate goals, strategies, and measurement criteria.

The Web provides a lot of possibilities for marketers. Before the Web, companies had to buy expensive advertising to attract attention. Direct relationships with consumers were impossible to develop. (Scott 2009 p. 5 ff.)

None of these rules is true anymore. Traditional rules of marketing and PR are not effective in online world. Nowadays, through the Web companies can reach niche customers with targeted campaigns, which is less costly than traditional advertising. (Scott 2009 p. 5 ff.)

2.2 Traditional PR

Public relations (PR) are one of the major promotion tools that appeal to the masses. Public relations can be defined as a process of "building good relations with the company's various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events". (Kotler & Armstrong 2012, p. 454)

"Companies use PR to build good relations with consumers, investors, the media, and their communities" (Kotler & Armstrong 2012 p. 454). PR requires much lower cost than advertising does, however, it is powerful tool in order to increase a public awareness. In case of PR companies don't spend funds for time and space in the media, but employ a personnel to generate and manage the information. (Kotler & Armstrong 2012 p. 454)

PR specialists targeted their press releases entirely to reporters and editors, and hoped that the media would provide them some airtime. Only best PR specialist had personal

connections with the media and could push the information through the reporters. However, these principals have changed. Public relations work is not about targeting reporters anymore, who in their turn tell the company's story to the masses. Nowadays PR campaigns can reach consumers directly. (Scott 2009 p. 10 f.)

Table 2. The old rules of PR (Scott, p. 12)

- The only way to get ink was through media.
- Companies communicated to journalists via press releases.
- Nobody saw the actual press release except a handful of reporters and editors.
- Companies had to have significant news before they were allowed to write a press release.
- Jargon was okay because the journalists all understood it.
- You weren't supposed to send a release unless it included quotes from third parties, such as customers, analysts, and experts.
- The only way buyers would learn about the press release's content was if the media wrote a story about it.
- The only way to measure the effectiveness of press releases was through "clip books," which noted each time the media designed to pick up a company's release.
- PR and marketing were separate disciplines run by different people with separate goals, strategies, and measurements techniques.

"None of this is true anymore. The Web has transformed the rules, and you must transform your PR strategies to make the most of the Web-enabled marketplace of ideas." (Scott 2009, p. 13)

2.3 New rules of marketing and PR

"The recent technology boom has created a digital age. The explosive growth in computer, communications, information, and other digital technologies has had a major impact on the ways companies bring value to their customers." (Kotler & Armstrong 2012,

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p. 26) Wide use of Internet has dramatically affected consumers and marketers. Moreover, its employment and impact is growing constantly. (Kotler & Armstrong 2012 p. 508)

Internet provides an access to information, connects people and businesses and allows companies to develop stronger relationships with their customers. Marketers became more selective emphasizing more profitable customers and developing closer and more direct relationships with them. (Kotler & Armstrong 2004 p. 24 f)

Table 3. The new rules of marketing and PR (Scott, p. 26)

• Marketing is more than just advertising.
• PR is more than just a mainstream media audience.
• You are what you publish.
• People want authenticity, not spin.
• People want participation, not propaganda.
• Instead of causing one-way interruption, marketing is about delivering content at just the precise moment your audience needs it.
• Marketers must shift their thinking from mainstream marketing to the masses to a strategy of reaching vast numbers of underserved audiences via the Web.
• PR is not about your boss seeing your company on TV. It's about your buyers seeing your company on the Web.
• Marketing is not about your agency winning awards. It's about your organization winning business.
• The Internet has made public relations public again, after years of almost exclusive focus on media.
• Companies must drive people into the purchasing process with great online content. Blogs, podcasts, e-books, news releases, and other form of online content let organizations communicate directly with buyers in a form they appreciate.
• On the web, the lines between marketing and PR have blurred.

Traditionally marketing and PR are different departments with the different people who

posses a various skills. However, in an online world marketing and PR has merged together in one department, which aims to reach buyers directly. (Scott 2009 p. 26)

Kotler & Armstrong (2012 p. 508) stated that online marketing is "efforts to market products and services and build customer relationships over the Internet." Today almost every company has a web presence and uses it in a significant way. Nowadays online marketing become a fastest growing method of marketing. (Kotler & Armstrong 2012 p. 27)

However, the marketers have to be prepared "that the transformation of the economy by the Internet is really just beginning and that our notions about how we go about creating, delivering, and communicating value to customers will continue to evolve as the Internet evolves". (Keillor 2007, p. 62)

3   E-MARKETING IN SME

Small and medium enterprises differ a lot from large-scale companies. Usually they are limited to a certain extent and are not able to use Internet to its full potential. This chapter explains the situation of online marketing in SMEs and the major obstacles that may prevent the successful application of online marketing.

Internet is a medium with a huge potential, and if applied wisely it is able to deliver a great benefits. "Creative applications of new technologies not only give a firm a definite competitive edge but can also benefit society." (Kurtz 2012 p. 80) Therefore, this chapter also describes the main benefits of Internet for buyers and sellers, and goes through the limitations and public issues of Internet marketing.

3.1 SMEs and online marketing

SMEs play an increasingly important role in today's economy. Traditionally, it is considered that their main stenches "are their ability to serve niche markets and develop strong relationships with customers" (Gilmore et al 2007 p. 236).

However, usually small and medium companies have a simplified structure, and their approach to business is not the same as large corporations have. SMEs owners think and act differently from the large companies (Gilmore et al 2001 p. 6). Therefore they have a different attitude toward marketing either. "It is considered to be more intuitive, competency based, revolving around networking and operating under financial and human resource/time constraints" (Gilmore et al 2007 p. 236).

SMEs share a collective belief that e-marketing is very important for the business. Despite this belief, the overall impact of Internet is low, and e-marketing is not used by SMEs to its full capacity. Mainly, SMEs see the value of online marketing in the enhanced company promotion and improved communications with customers. Precisely, "advertising in more markets with less expense, using e-mail as a marketing tool and decreasing the costs of printing materials such as catalogues and glossy brochures." (Gilmore et al 2007 p. 243) Mostly, due to the limitations small and medium companies do not apply the potential of Internet in order to develop company image or competitive advantage. (Gilmore et al 2007 p. 243 f.)

Small and medium companies are limited to certain extent: "limited resources (such as finance, time, marketing knowledge); lack of specialist expertise (owner-managers tend to be generalists rather than specialists); and limited impact in the market place" (Gilmore et al 2001 p. 6). Due to the deficit of time, money and expertise, SMEs often have poorer web presence that is not interactive (Gilmore et al 2007 p. 237 ff.). Financial issue lead to the SMEs are not willing to adopt e-marketing communication tools before they see a real tangible advantage, therefore they are very selective in applying online marketing and web-site design (Gilmore et al 2007 p. 237). Not everybody is able to proceed successfully. 'Internet technologies have high learning costs' (Tapp 2008 p. 265).

However, obstacles could be overcome by sharing each other knowledge and experiences inside the company, staff training, or employing full time IT specialist to maintain Internet activities in-house. (Gilmore et al 2007 p. 241)

3.2 Benefits for the seller

Company has to constantly meet changing customer needs and demands designing better product, finding efficient way to deliver this product to the customer and supporting them after sales. Through the Internet this process can be significantly improved, especially in case of digital products. (Eid & Trueman 2002 p. 55)

E-commerce generates a lot of benefits to the seller. "Online marketing provides proper brand value and brand awareness for a particular brand" (Sharma 2011 p. 207). Undoubtedly, the Internet reduces costs in many ways. Interactive website reduce personal selling costs, online shopping mall replace retail outlets, different commercial materials as catalogues can be transformed into an electronic form eliminating printing costs (Jobber 2001 p. 466). "Because customers deal directly with sellers, e-marketing often results in lower costs and improved efficiencies for channel and logistics functions such as order processing, inventory handling, delivery, and trade promotion" (Kotler & Armstrong 2004 p. 75).

Through interactive communication with customers, companies are able to discover customer needs much quicker and reduce global advertising costs (Eid & Trueman 2002 p. 55 ff.). Moreover through the online interaction "companies can increase customer value and satisfaction through product and service refinements" (Kotler & Armstrong 2004 p. 75).

E-commerce opens new market opportunities, as any firm regardless of the size can offer its products or cervices to any market in the world (Jobber 2001 p 467). The Internet provides an equally competitive environment for everybody. "For small businesses the net offers true equality in the sense that it allows open access" (Tapp 2008, p 264).

3.3 Benefits for the buyer

Direct marketers are always open for the customers (Kotler & Armstrong 2004, p. 74) Nowadays, consumers can shop online any time and at any place. Some of the consumers are going to the physical stores after getting the information from the Internet. Sometimes they are going on the Internet for better deals after visiting the physical store. (Sharma 2011 p. 203) Internet buying process is convenient and private, as people do not have to leave their homes, walk through the stores to compare products and meet salespeople (Kotler & Armstrong 2004, p 74).

A broad access to the information available on the Internet is increasing the awareness of the consumers about companies, competitors and alternative products, and power shifts from the seller to buyer as a result. (Eid & Trueman 2002 p. 56) Customers can quickly compare price and value with only one mouse click. Therefore, 'average' offer will not succeed. (Tapp 2008 p. 264)

Internet brought control to the customer over the advertising or selling message (Tapp 2008 p. 304). Moreover it made the buying process quick and interactive. "Buyers often can interact with the seller's site to create exactly the configuration of information, products, or services they desire, then order or download them on the spot." (Kotler & Armstrong 2004 p. 75) Customers can enjoy improved and personalized service, because "the Internet provides an easy link between the customer and the company database" (Tapp 2008 p. 265).

3.4 Limitations of online marketing

Online marketing has its own threats, limitations and potential disadvantages. The control over the promotions on the Internet considered as an issue for a marketer, as the Internet connection and devices can limit reproduction of the pictures and graphics (Drozdenko & Drake 2002 p. 317).

"Internet shopping might not satisfy nonbuying (nonfunctional) shopping motives, needs unrelated to acquisition of one or more products that are more psychological in

nature" (Lantos 2011, p 74). Moreover, customers are not able to make a physical verifications and inspections when buying online. Sometimes, color or quality does not fully correspond to the picture and customer eventually has to return the item paying high shipping fees. In addition, people have to wait for the delivery rather than being able to take purchase home strait away from the shop. Customer service (product look-up, return policies, ect) is not perfect still. (Lantos 2011 p.74)

Consumer privacy and security are big issues, as often buyer's data can be shared with other companies because Web site privacy policies do not always ensure the safety of personal information. Moreover, some important personal data as credit card number or user name and password might be hacked. (Lantos 2011 p. 74)

Therefore, many consumers have negative concerns about online security. "One common form of Internet fraud is *phishing*, a type of identity theft that uses deceptive e-mails and fraudulent Web sites to fool users into divulging their personal data" (Kotler & Armstrong 2012 p. 519). Despite that a lot of people are informed about different forms of phishing, it can be very costly and unpleasant for victims caught in, and harmful for marketers, who have worked on reliability of Web transactions. (Kotler & Armstrong 2012 p. 519)

Moreover, many consumers find untargeted e-mail (spam) and pop-up ads disturbing and regard them as intrusion of privacy (Drozdenko & Drake 2002 p.317). Therefore it is in interest of the company to provide the reliable interactive services to contribute towards the positive customer experiences during the whole online process.

4   CONDUCTING ONLINE MARKETING

According to Kotler (2011 p. 513), nowadays companies conduct their online marketing in any of the four following ways: setting up online social networks, creating a website, placing ads and promotions online, and using e-mail. However, for effective online marketing all these approaches need to be combined with each other.
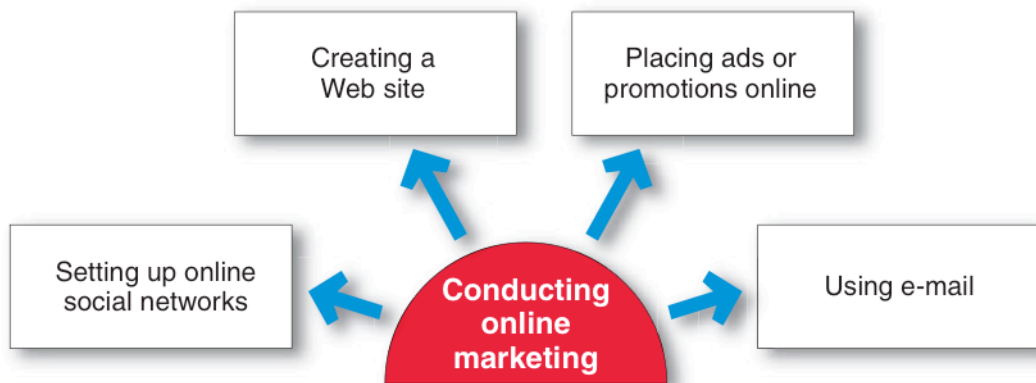
Figure 1. Setting Up for Online Marketing (Kotler & Armstrong 2008 p. 513)

4.1 Web site

The fundamental part of the Internet marketing is to "create and maintain an effective online presence through a website" (Chaffey 2006 p. 302). Web sites can differ significantly, however effective web site must be relevant to its audience and deliver results for the company (Chaffey 2006 p 302). To obtain desired results, a web site has to be designed to meet company's online objectives and be maintained according to the company's target market (Sweeney 2008, p 1).

Web sites have different content and purpose. The most basic type is web sites created to establish closer relationship with the customers rather than sell products directly. These sites are called corporate or brand web site. Usually they provide a wide variety of features to inform customers and promote the company or brand. (Kotler 2011 p. 513)

Another type of web site is marketing web site. Typically these sites designed to sell product directly or at least move the buyers closer to purchase involving them in effective interaction. These sites consist of interactive selling features and valuable information. (Kotler 2011 p. 513)

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It is essential to have a web site, however it is useless if nobody know about it. Millions of web sites are competing for the visitors. (Sweeney 2008 p. 1) "In fact, today's web surfers are looking at more web pages in a single session than ever, but are spending less time per page" (Stephenson & Thurman 2007 p. 391). Therefore, today viewers quickly leave the site that does not fulfill their expectations (Kotler & Armstrong 2011 p. 514). "The faster, better looking, easier to navigate, more fun, and more informative your Web site is, the more likely it is that people will want to come back – and even bring their friends" (Sterne 2001 p. 1).

Today web users are people of different interests and habits. However, all this public has something in common. They all come online to satisfy their needs. Therefore, it is essential to understand people basic online needs to make them keep visiting your web site. (Neuman 2007 p. 29)

Neuman (2007 p. 29 f.) formed a variation of Maslow's pyramid that helps to understand how to meet online customer needs.
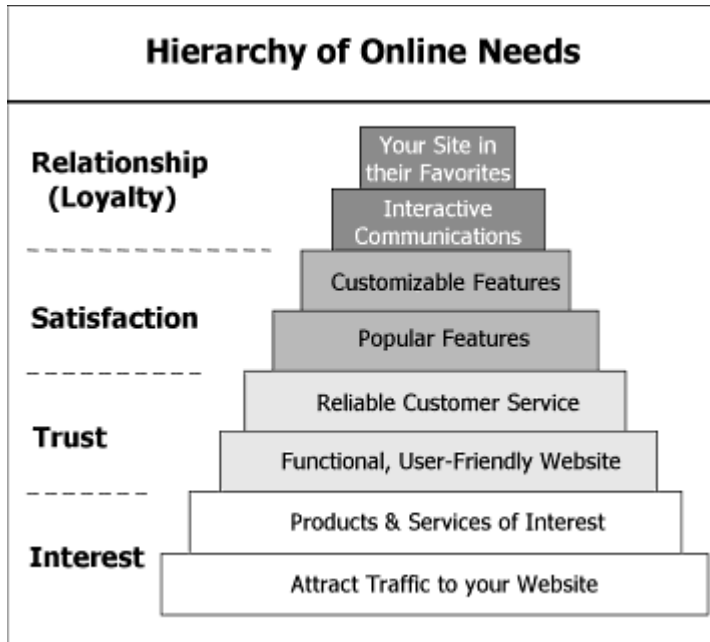

Figure 2. Hierarcy of Online Needs (Neuman 2007 p.30)

According to the pyramid only after satisfying the basic, lower level needs the person starts to think about the upper level. Therefore, when the user visit a website for the fist

time his online experience begins at the bottom level of the pyramid and goes up to the next layer after layer. Accordingly, if some of the basic needs have not been met, then different popular features won't keep customer experience you online business. All steps may be done at once or spread over many visits. Thus, the best website meet customer needs and demands at every layer of the pyramid. (Neuman 2007 p.30)

Web sites represent different online business models. Online business model can be defined according to the seven dimensions: 1) eCommerce, 2) Business Development, 3) Lead Generation, 4) Brand Development 5) Customer Relations 6) Information Delivery, 7) Cost Savings. For example, most of the small business web sites are combination of Business Development and Brand Development. (Neuman 2007 p. 22, 334) According to the business models, "Internet merchants need to attract customers who conduct business on the spot. Entrepreneurs are wise to clearly define their business goals, perhaps by creating a community of enthusiasts to build up sales in advance." (Kurtz 2012 p. 122) Therefore, "when judging Web sites, success means different things to different businesses" (Kurtz 2012 p. 122).

Generally, to develop a successful web site, a company has to establish exact objectives what it wants to achieve with the site. It is the most essential stage in the process of web site formation. Objectives define the framework of the project, including appearance of the web site and plan of the available resources. (Kurtz 2012 p. 122)

Decision makers have to agree who will create, host, and maintain the site. Companies can create their own sites in-house to keep control over content and design, or use the service of outside designers. However, most small businesses do not posses the necessary expertise required for website development. Therefore to outsource in this case may be more cost effective. The same situation occurs with the hosting. Most of the small businesses prefer to put their web sites on servers at Internet Service Providers (ISPs) or different host companies, rather than to set up their own server. (Kurtz 2012 p. 123)

The crucial issue is how to bring traffic to the website. J. Neuman (2007 p. 71-185) provided six most important ways to attract a customers attention to the website:

1. Get listed on search engines
2. Send email
3. Advertise online
4. Set up an affiliate program
5. Use viral marketing
6. Use blogs

All this techniques are important for the website promotion and may be integrated with each other and the rest of the online marketing ways. However, the fist priority is to make the web site search engine friendly. "To be successful online, you must be successful with search engines" (Neuman 2007, p. 73)

However, according to Kurtz (2011 p. 122), in any successful website content plays a crucial role, since it determines the experience of the visitors and whether they come back to a site. It "should be relevant to viewers; easy to access and understand; updated regularly; and written or displayed in a compelling, entertaining way". (Kurtz 2011 p.123) No doubt, content is not the only thing to think about. Web site contains much more important concerns. Design, navigation, color and fonts make a site attractive. Appropriate technologies make site easier to update. However, content is the most important aspect to focus on. (Scott 2009 p. 102 ff.)

According to Andrew Wood (2009 p. 139-140), rich content attracts and retains the viewers because of the several reasons:

Table 4. Content-rich website (Wood 2009 p. 139 f.)

- The more information you have on your products, services, uses, and partnerships, the more likely a visitor will find something of interest.
- The more interesting your how-to articles, experience articles, reviews, and lists, and the more useful your content is to other sites, the more likely they are to link to your sites as a resource. That brings you extra traffic at no cost!
- The more relevant the content you have on you site, the more likely people are to stay longer. The longer they stay, the more likely they are to buy or at least re-

- fer your site.
- The more relevant the content you have on your site, the more useful it will be in helping you to gain top search engine rankings.
- The more relevant the content you have on your site, the more credible your company is an expert and solution.

"A great Web site is an interaction of every other online initiative, including podcasts, blogs, news releases, and other online media. In a cohesive and interesting way, the content rich Web site organizes the online personality of your organization to delight, entertain, and –most important- inform each of your buyers." (Scott 2009 p. 102)

When a web site is finally ready, assessing the effectiveness can be a tricky procedure. Usually, this procedure is determined by the purpose of the site. For example, profitability is quite easy to see from web sites that created to produce revenue from online orders and sales. However, many companies have corporate web sites that mainly represent the information about company and products. "For such companies, online success is measured by increased brand awareness and brand loyalty, which presumably translates into greater profitability through offline transactions" (Kurtz 2012 p. 124). Another most common ways to estimate the effectiveness include click-through rate, conversion rate, and engagement. (Kurtz 2012 p. 124)

4.2 Placing adds and promotions online

Recently, online advertising has become highly important medium. Companies are using it to promote their Web sites or to establish and develop their brands. "The major forms of online advertising include search related ads, display ads, and online classifieds. Online display ads might appear anywhere on an Internet user's screen and are often related to the information being viewed" (Kotler 2011 p. 514). Display ads have become very advanced in recent years. They may include animation, video, sound, and interactivity to capture and keep viewers' attention. (Kotler 2011 p. 514)

4.2.1 Search related ads

Search related ads are the widest form of online advertising. "In search advertising, text-based ads and links appear alongside search engine results on sites such as Google and Yahoo!". (Kotler 2011 p. 514) Search engines obtain their main revenue from ads. Companies bid with search engines to have their ads listed on the search result page. Accordingly, search engine defines which ads to display and their place on the page. These ads appear at the top or at the right side of the page in response to user request. (Liu 2011 p. 585)

Search-related ad includes the link that brings user to the company Web site, and the company pays the search engine only if the user clicks through to its site. (Kurtz 2011 p.121) Paid search ads are a highly important technique company achieves a visibility among a target audience in a competitive market.

4.2.2 Viral marketing

Viral marketing is word-of-moth marketing that occurs in Internet. "Viral marketing involves creating a Web site, video, e-mail, cell phone message, advertisement, or other marketing event that is so infectious that customers will want to pass it along to their friends". (Kotler 2011 p. 515) This form of marketing is very cheap, as the people pass the message to each other by themselves. Moreover, the message has more chances to be viewed if it has arrived from a friend. (Kotler 2011 p. 515)

The ideas and concepts for the viral marketing ads can be limited only by the imagination. To create an effective viral ad marketer has to keep in mind three elements. Firstly, the idea inside the ad has to be known by a big amount of people. Public will definitely pay an attention on a popular idea and will more likely be interested to explore a new thoughts presented in that concept. (Allen 2008 p. 26)

Secondly, the ad has to be simple. Complex idea will certainly catch an attention, however, most of the people would not engage with a complicated thoughts. Therefore, the message should be easy to understand to become viral. (Allen 2008 p. 26)

Thirdly, the ad should state for positive values. The ad that may provoke panic or negative concerns will attract an attention but it will also produce troubles for the marketer. Moreover, people normally would close themselves for the message that start with a negative values. (Allen 2008 p. 26)

4.3 Creating or Participating in Online Social Networks

"Online social communities – blogs, social networking Web sites, or even virtual worlds – where people socialize or exchange information and opinions" (Kotler & Armstrong 2011 p. 515). The Internet has created a boom of online social networks or web communities, where a large number of consumers can come together to share their opinions and exchange information. Thus, more and more marketers are taking the advantage of the social network tendency. (Kotler & Armstrong 2011 p. 515) It is a very effective, easy, and free networking tool to obtain customers, distribute information about products or services, and develop business relationships (Perlman 2009 p. 96).

Marketer can create own Web community or take the easier way and participate in existing social network. Facebook is the most massive social network. It rules 70 percent of all social network traffic. Another large online social networks are YouTube, Twitter, and MySpace. In addition, a lot of small networks have appeared for marketers who need to reach special interest groups. (Kotler 2011 p. 515) Small networks are the next generation of online social networks. They are more focused and helpful for small and medium size marketers as well as big enterprises. (Weber 2009 p. 199 f.)

It is very easy and extremely worthwhile to begin the social networking. Much more relationships can be acquired than in any face-to-face networking event, and time is the only cost here. (Perlman 2009 p. 96 f.)

However, it may be quite challenging for marketer to succeed in online social networks. One of the reasons is that most of the companies haven't found the way to apply them in order to achieve a desired result, and moreover these results are hard to estimate. Another reason is that in online networks users possess a high control over interaction. And it is not that easy to involve the brand into consumers' conversation without intrusion. (Kotler 2011 p. 515, 517)

To overcome the challenges, many companies are establishing their own specific Web communities (Kotler 2011 p. 517). However, it is more than just advertising. Marketers need to build relationships slowly, link to other things, and talk about products or experiences. (Weber 2009 p. 201-203) "Create an attractive environment and community; invite people to come, spend some time, meet some people, share some stories, download some content, and … you'll probably sell stuff" (Weber 2009 p. 201).

4.3.1 Blogs

Blogs is one of the popular ways of online interaction. "Blog is a Web page that serves as a publicly accessible journal for an individual or organization" (Kurtz 2012 p. 119). As a popularity of blogs has grown online, marketers caught the wave and integrated them with their online strategies. Blogs can be very efficient tool in public opinion formation. Nowadays, bloggers are treated as members of the press, who can spread the news and influence opinions. (Kurtz 2012 p. 119)

For many companies blog is extremely suitable way to show their personality, share thoughts, and obtain a customer feedback. Often employees are fostered to write their own blogs. However, it is important to remember, that the Internet is a public space, anyone can read your writings and in any moment your online words can turn against you. (Kurtz 2012 p.120)

Therefore, a blogger should follow simple rules to not to be harmed by the own writings. Fist of all, it is better not to write anything if you don't have anything nice to share, or can't accept responsibility for your words. In the Internet you words may live forever. Secondly, every minute posting with your personal life details would not interest a loyal public. Thirdly, choose subject of your interest and create a blog for a target audience. Fourthly, ask for permission if you use other people's materials. Fifthly, truthful but respectful reaction on comments would engage in a healthy debate without arguing, while emotional response would only contribute the fire. Sixthly, do not think that you can hide behind the screen. Your identity can become known. Finally, do not involve employer if you want to keep your job. (Kurtz 2012 p.120)

4.4 Using e-mail

E-mail marketing is an effective way to distribute extremely targeted and personalized messages that build relationship with customers (Kotler 2011 p. 517). Through e-mail marketers are able to promote products and services and build brand awareness without high costs (Perlman 2009 p. 137).

According to Jenkins (2009, p 3), "e-mail marketing delivers the highest return on investment (ROI) of any other internet marketing approach available". The benefits of e-mail are available for any company regardless the size. Through the low cost, the investment in a well-paned e-mail marketing campaign doesn't require a big budget. Everyone can afford to reach customers and prospects. (Jenkins 2009 p. 3-10)

E-mail helps marketer to connect with customer and maintain long-term relationships. Messages can be created according to the interest of the customer and prospect and delivered at the time and form the person wants them. (Jenkins 2009 p. 10 f.)

Moreover, e-mail is measurable, and therefore marketers are able to monitor who saw an ad and how many people react on it (Jenkins 2009 p. 11). Through different services like for example, Constant Contact (constant-contact.com), marketers can measure how effective their email is. It produces a report that contains essential details on amount of people who actually opened a message and amount of e-mails blocked by spam filters. In addition, the effectiveness of links included in the e-mail can be monitored through the amount of people clicked on them. It enables marketer to improve the message by changing the content, or provide the individual with additional information about the particular product or service from a clicked link. (Perlman 2009, p 139)

E-mail marketing campaign can be extremely targeted. In case if the data about gender, age, or interest is obtained from the subscribers, more relevant message can be created. According to the customer's buying history and location, an offer can be tightly personalized. Thus, people get the information they are interested in, at the same time marketers are able to gain a better understanding of their target groups. Furthermore, e-mail provides a possibility to reach customers directly and immediately. (Jenkins 2009 p 3-12)

Additionally, e-mail brings a great value when integrated with other marketing channels. For example, it is a way to introduce a special offer and generate traffic to a website. (Jenkins 2009 p 3-15)

The most widespread type of e-mail marketing is E-newsletter (Perlman 2009 p. 137). It is very easy to implement and is mainly used to build a relationship with customers rather than sell (Jenkins 2009 p. 3). It contains the information about particular subject that can be delivered to the large amount of people. It is a great way to stay in touch with the customers and keep them aware of the business. However, content of e-newsletter has to be valuable for the person, otherwise he won't even open the message. (Perlman 2009, p 137 f.)

However the emerging use of e-mail marketing has lead to the rapid growth of spam - unsolicited junk mails, which nowadays take about 90 percent of all e-mail. Spam is very frustrated, and therefore today marketers apply permission-based e-mail marketing. (Kotler 2011, p 517) "Spam is bulk email that is not requested, is unwanted, and is thus sent without this permission"(Jenkins 2009, p 6).

However, recipients can easily regard permission email as spam if the marketers abuse them with the messages. Therefore, e-mail has to be used responsibly, and the best practices of permission-based e-mail marketing have to be applied, otherwise it won't bring the value. (Jenkins 2009 p. 6-8)

To separate themselves from the spammers, marketers have to follow some simple rules. First of all, send the e-mails that people have asked for. E-mail marketing program has to include carefully designed opt-in and confirmation process, where the person can also easily unsubscribe himself and end the permission any time he wants. Secondly, message has to provide interesting content relevant to the person. Finally, the strategy of e-mail marketing has to follow the goal to establish a long-term brand loyalty, rather than directly push the person to buy something. (Jenkins 2009 p. 6-8)

5 HOW DO IT COMPANIES CONDUCT THEIR ONLINE MARKETING?

To answer the question in focus the author performed e-mail interviews with five IT companies. Due to the distance, language and time constraints e-mail has been chosen as the communication channel. To give a broad perception of the topic, the author decided to study five companies with different focus and activities.

In total, about one hundred IT companies around the Europe have been contacted and invited to participate in the study. However, most of the potential participants haven't replied to the invitation at all, and one company nicely rejected the offer due to the lack of time.

The author aimed to contact people who are responsible for online marketing in the companies. To find appropriate respondents, the writer have been searching for background information mainly through the websites and social web presence of the potential case companies. When the person has been found and contact has been obtained, the author sent e-mail with invitation to participate in interview. The e-mail contained an introduction to the research and stated the reasons why the recipient's answers are significant for the study. All questions and guidelines were included in the same e-mail.

Out of big amount of potential respondents, five companies kindly agreed to participate in the research and share their experiences of online marketing.

5.1 Case company: Cogis

The first case company is Cogis, a french financial software editor. It is a small company located in Paris. The major product of the company is Keops Conso. It is a Corporate Financial Management application for legal consolidation and financial reporting. Cogis develops and sells this application for companies of different activities and sizes and chartered accountants in France and in Europe. (Houpillart)

The interview was performed with Mr. Alexis Houpillart, the Sales Manager of the company. The author has sent the invitation with questions 7-th of November 2011.

Mr. Alexis Houpillart replied to the interview 15-th of November 2011, and contributed to the research providing interesting and open answers.

According to Mr. Houpillart, new technology and informatics are fundamental aspects of the company's line of business. Therefore, on-line marketing plays an important role for the company.

Alexis Houpillart see Internet as a window that provides a necessary visibility to the company and its software, and allows to promote effectively. Prospecs and potential clients go to the Internet to make a research in order to find information and make the decisions accordingly. People are able to access all kinds of data in a particular field and compare different solutions and actors without any engagement.

"Of course, it seems to be related to a new way of working, of thinking, of making his own conclusion, certainly related to a new public, born with these technologies, these habits." (Huopillart)

Nowadays, Cogis has a corporate website that introduce its software solutions, services and the company itself. Cogis does not sell the producs and services online. With their specific line of business every project has to be discussed and detailled with the customer during the real life meetings and presentations. However, obviosly, the company can make some gains through the real visibility on Internet.

"So, we have some online projects, as a website dedicated to the consolidation profession with pragmatic job informations, real contents, usefull informations", - defined Alexis.

The company links the promotion of their products to their "capacity to demonstrate, give and share information and explications to all the professions. This way, we can prove our capacity to understand the trade of our clients and position ourselves as a real partner for them." (Huopillart)

Cogis promotes the website mainly through the Addwords, social networks and links on the customer's and partner's websites.

On the question what kind of benefits does the company obtain from online marketing, Alexis answered that direct benefits are not that easy to measure. "We think that online marketing is a way to promote in a long term" (Huopillart). Besides all, company benefits from their e-mail marketing campaigns and online meeting with partners. However, mainly Cogis enjoys the ability to show their difference throught the online marketing and make the company and solutions more visible. (Huopillart)

On the question about the challenges of online marketing Mr. Huopillart stated: "we need to be polyvalent." Cogis need a technical help to establish their online marketing projects. Therefore according to Alexis, the main challenge is that the company has a "technological constraints: we need to know the different informatic tools (such as website standards Worpress, Joomla), the ways to improve our online visibility by using links to upgrade our online position... "

To overcome these challenges the company plan the strategy and prepare their online projects in advance. Moreover, Cogis cooperate with a specialist in this field Agartis, a company specialized in IT. Cogis is trying to aquire the specific know-how of online marketing and is sure "that this is a prior medium, which need to be worked daily." (Huopillart)

Finally, Mr. Huopillart added that nowadays a small sized company as Cogis, has high competition and multiple elements that are difficult to manage. The company knows that with a marketing representative it would be easier to achieve the aims, however it does not have enough resources to create this position at the moment. Therefore, Sales Manager is responsible for the different aspects of the sales promotion including all marketing activities. (Huopillart)

Cogis is sure that Internet is a fabulous medium that they try to manage. Therefore, the company is trying to use all marketing opportunities provided by the Internet. However, they relate thamselves to the beginners in this field. (Huopillart)

Thus, according to Alexis, some areas could be improved. For example, search position with Google will be improved through the purchase of addwords and use of SEO in the website.

In the future Cogis is planning to continue to focus on their main basics, which means that the company will maintain the relevant up-to-date content on the website, and will keep it well linked to the others. Moreover, the company needs to evaluate the effectiveness of the present online marketing activities in order to move further. "We also need to estimate our ranking positions, to precisely measure our frequentation, our interest, the public we reach nowadays, in order to plan our next online marketing actions and campaigns." (Huopillart)

Comparing past and future online marketing trends Alexis also feels that the company needs to be more efficient and pro-active. As the next online project, the company is planning to build a "website dedicated to the consolidation profession". (Huopillart) The target is to reach young professionals, the generation born with Internet media. Therefore, all the trends and habits of this generation (podcast, tweet, social networks etc.) will form the next website. "We are pretty sure that the paradigm is actively evolved. We want to be a part of it." (Huopillart)

5.2 Case company: Digital Route

The second case company is Digital route that was founded in 2000 and is headquartered in Stockholm, Sweden. According to the information provided on the web site (http://www.digitalroute.com/company/company-overview/), the company is an independent software vendor. It provides market leading integration and mediation solutions. The company's customers are service providers and vendors in the global telecommunications and data communications industry. The company offers two major products MediationZone and PolicyZone. MediationZone is a data integration platform that supports any combination of data exchange between any systems, in online and offline mode. PolicyZone is a policy and charging control solution for communication service providers.

To collect the information about online marketing in Digital Route the writer performed the interview with Mr. Arnaud Lassalle, Chief Marketing Officer of the company. The invitation has been sent 13-th of November via contact form on Digital Route web site. Mr. Arnaud Lassalle provided the answers 14-th of November 2011.

It was not a surprise that online marketing is vital for the company. Mr. Lassalle stated: "Customer and prospects are no longer interested in printed media and have little time to visit exhibitions."

DigitalRoute has a website that delivers related content to the customers. Moreover, the company uses email targeted campaigns and directly communicate with the customers online. The company apply Twitter, FB, Linkedin to promote its website and has activities with leading telecoms organization like TelemanagementForum. (Arnaud Lassalle)

On the question how does it help improving you sales Mr. Lassalle replied: "Difficult to measure the impact of online marketing in our B2B market." The company also finds challenging to maintain up-to-date contacts' database and follow constant evolution of the Internet and social network. Moreover, not all target customers are up to the new technology. However, the company obtains its benefits through "quick and easy communication to prospects, customers, analysts and press". (Arnaud Lassalle)

Gigital Route does not outsource any of their online marketing activities. Mr. Lassalle stated: "We are still a very small company - 3 people in marketing - we do everything in-house." However, the Chief Marketing Officer feels that they are using all marketing opportunities provided by the Internet. And in the future the company is planning to spend more time with twitter and social network and less with emails. (Arnaud Lassalle)

5.3 Case company: WOT Services Ltd

The third case is a Finnish company WOT Services Ltd (further in the thesis "WOT"). The company was founded in Helsinki in 2006, and operates in the industry of Internet Security. As described on the company's web site (http://www.mywot.com/en/aboutus), it offers a family of Web of Trust (WOT) products for Internet Security. WOT is a tool that rates a website reputation according to the experiences of millions of users around the world. Without restricting access to the web, it protects individuals and enterprises from troubles delivered by unreliable links. WOT Reputation Data is very helpful for companies aiming to improve their products and contribute towards the positive experience of their users. WOT Trust Seals help website owners manage their reputation and display it to the visitors.

The interview was performed with the Chief Executive Officer of the company Mr. Vesa Perälä, who kindly shared his experience by e-mail. The questions have been sent 14-th of November to the marketing department of the company. Mr. Perälä answered the interview the next day 15-th of November 2011.

As in the case of previous respondents, online marketing is very important for the company. "The success of one of our business models depends on the traffic we get on our web page and other place where WOT plug-in can be downloaded" – described Mr. Vesa Perälä.

WOT has a website where the products are clearly presented and can be easily downloaded by the user. Moreover, among the ways of online marketing WOT has a social media presence in Facebook, Twitter, and LinkedIn. The company run own channel on YouTube and shares screenshots of their products on Flickr. In addition the company use search engine optimization and visibility on other web sites (download sites), where the last one is the most important as it delivers 90% of the traffic (Perälä).

Nowadays, the company does not employ a lot of techniques to promote its website. WOT is an Alexa (the web information company) top 2000 web site, however the company enjoys the traffic due to the popularity of their free download. (Perälä)

According to the Chief Executive Officer, the company benefits from online marketing obtaining more traffic, as well as more sales in other areas and increasing credibility and awareness. At the same time the company does not face any challenges in online world of marketing.

Moreover, most of the standard online marketing work the company execute internally under the management of marketing department. However, seldom WOT use the help of some agencies and freelancers to perform a special tasks. Nevertheless, with limited resources so far the company has succeeded well in using all marketing opportunities provided by the Internet, however there is a way to improve every online marketing activity. (Vesa Perälä)

On the question how do you see the development of online marketing in your company comparing past and future trends, the CEO answered that earlier their service acquired tons of traffic only due to its popularity. Nowadays, the company has to be more proac-

tive and innovative. "Now the challenge is to proactively increase the growth using whatever makes sense", - stated Mr. Vesa Perälä – "As a company providing a web service (download) we use all relevant, meaningful means to gain more popularity."

5.4 Case company: SamLogic

SamLogic was founded in 1993, and is headquartered in Stockholm, Sweden. The company provides software development tools for the Windows operating system. SamLogic is leading in Sweden. The company has "also developed and sell software for application installation, CD/DVD menu creation and component libraries for Microsoft Visual Studio, or compatible." (http://www.samlogic.net/about/samlogic.htm) Moreover, as stated on the company web site, the company developed a fast e-mail marketing application and provides consulting services for the Windows operating system.

The interview was performed with Mr. Mika Larramo, who works as web master and system specialist, and is also responsible for some of the online marketing activities in the company. The author has sent the invitation with the questions 14-th of November 2011, and received the answers 18-th of November 2011. Mr. Larramo has provided descriptive answers and significantly contributed to the research.

In general, online marketing is very important for SamLogic nowadays. It is very cost-effective in comparison with other methods and generates a lot of sales for the company. (Mika Larramo)

SamLogic has a website that represents the company, products and services, and gives the opportunity to order software online. The site consists of different interactive features, and has rich content.

Moreover, Mr. Larramo specified different online marketing methods the company uses in a following way:

- Google Adwords (ads in Google's search engine and on web sites).

- Advertisements in specialized magazines' web sites (for example IT magazines). We create the ads and the web site publishes them.

- An electronic newsletter that we send to our current customers and those who have shown interest for our products (and subscribed on our newsletter).

- Videos in YouTube.

- SEO techniques on our web sites to get potential customers via organic searches in search engines like Google. Most organic traffic comes from Google's search engine.

- Trial software in download and shareware sites.

In addition, Mr. Larramo stated that Google Adwords and the organic traffic, which the company obtains via search engines, bring the most value to the company among the online marketing methods listed above. "If I must choose one I choose Google Adwords", - added Mr. Larramo.

The company use Google tools to enhance the online marketing campaign. When using Search Engine Optimization the company applies Google Analytics tool, which give the opportunity to follow the affect of web page modifications on the organic web traffic without any difficulties. At the same time, to build Google Adwords ads and manage the ads and campaigns SamLogic employs Google Adwords online editor as well as downloadable application. E-mail is another tool that company use to promote the website. SamLogic sends electronic newsletters only to clients and subscribers. (Larramo)

The respondent finds the main benefits of online marketing in its high effectiveness. It is less costly compare to the traditional media as for example, newspaper ads, printed brochures and telemarketing. It works especially well through the borders, when there is a need to find customers in foreign countries.

However, together with benefits, various online marketing methods bring different challenges. For example, Google Adwords and SEO, which the company uses to obtain organic traffic, contain some reason that can easily prevent the progress. The reason is the fact that a lot of companies use the same method, therefore there is always a chance that potential customer will choose a competitor simply because he does not see the company. To succeed the company must either increase the ad bid in Google Adwords or constantly develop and optimize the webpages to keep it visible with Search Engines. (Larramo)

Another example, according to Mika, is newsletters. This method either includes some obstacles. One of them is anti spam filters that can be very sensitive nowadays and block all newsletters. Therefore, every newsletter has to be carefully worked out and

tested before the company sends them.

In the interview Mr. Larramo mentioned that, there are two people who are responsible for online marketing in the company, and he is one of them. Therefore, they are doing everything in house now. However, the company used to outsource SEO before to enhance the organic traffic to the web site.

On the question what would you improve, Mr. Larramo noticed that the company has not developed the area of social media enough. SamLogic can improve a lot of aspects of marketing through the social web like Facebook, Google+, Twitter etc. The company is planning to strengthen this area in the nearest feature.

About the development of online marketing comparing past and future trends Mr. Larramo thinks that: "Online marketing is becoming more and more important. And there are new areas (like social media) that may increase the importance even more."

5.5 Case company: Mindware

Mindware is a software vendor that was established in 2003. It is located in Tallinn, Estonia. Mindware has its customers mainly in finance, insurance and public sector in Estonia and abroad.

The author performed an interview with the Chief Executive Officer of the company Mr. Peeter Klanberg. The invitation has been sent 17-th of November 2011, and Mr. Peeter Klanberg immediately reacted and answered the interview in half an hour.

On the question about the importance of online marketing for the company Mr. Peeter Klanberg introduced an opinion different from the previous respondents. Actually, online marketing the role of online marketing is "moderate" for the company, because Mindware mainly focus on financial institutions. With this target group the vendor has to acquire high degree of trust to obtain the customer. Therefore Mindware mainly use a direct marketing.

However, according to Mr. Peeter Klanberg, the company has two ways of online marketing presence:

- Web site, where users can find a general introduction of the company, descrip-

tion of the products, news, and references

- Youtube, where the company has its own channel

Moreover, the respondent added that the company does not use phone and e-mail for the marketing purpose. And, did not provide any specific answer on the question how does the online marketing help improving the sales.

According to Mr. Klanberg, Mindware uses Google adds and Search Engine Optimization to acquire traffic to the company's web presence, and share news to promotes the web site.

As was mentioned earlier, online marketing is not that important for the company, as it mainly employs a direct marketing to reach the target group. Nevertheless, the company obtains own benefits from the online existence. Mr. Klanberg explained these benefits in a flowing way: "Sharing information, showing that we are doing something, we exist and we have good references". However, the CEO of Mindware finds challenging to update the web site content regularly. The main issue is a resource of information.

In the company no one is directly responsible for online marketing. "One person beside other marketing activities"- mentioned Mr. Peeter Klanberg.

The CEO of the company feels that they does not use all marketing opportunities provided by the Internet. In his opinion, more interesting facts and helpful information should be added to the web site. It might attract more attention and generate more trust to the company and its products.

Comparing past and future trends, the respondent sees the Internet as a supportive medium for other marketing activities. "Our main tool is direct marketing"- stated Peeter Klanberg at the end.

6 DISCUSSION

In general the companies have a lot in common. Four respondents find that online marketing has a great importance for their companies. It increases the sales, less expensive

than traditional media and introduces an effective way of communication. Moreover, it is essential to apply Internet in marketing strategies if the company wants to reach a young generation. However, one of the case companies does not feel that online marketing is significant for their business, because in the case of their target group the company is not able to generate enough trust through the Internet.

All companies studied have an online marketing presence in one way or another. Most of their online marketing techniques are integrated with the websites. Every company has a website that delivers a relevant information about company and its products. Every website is build up according to the company's target market, so that every customer can find something of his interest. Web sites are very functional, user friendly and contain useful, customizable features and services.

The sites have rich content and most of them represent an interaction of different online marketing activities as blogs, forums, news releases, and web communities. However, from the critical point of view, some sites are more advanced than the others. For example, Cogis has a corporate site with the general introduction of the company, products, and references. It is less informative than the other sites. To enrich Cogis web site the author would add more information on products as practical training videos. The company has customers outside of France, nevertheless the site does not contain any multi-lingual features. Cogis could enrich the site with news releases as well and integrate it with the social communities. However, as the company states themselves, they are only at the beginning stage of their Internet marketing, and a lot will be improved in the near future. Moreover, all marketing activities are under the responsibility of Sales Manager, and at the moment the company does not posses enough resources to employ marketing representative, who would enhance online marketing activities.

Every case company maintains the sites with their target audience in mind and according to their business models. Mindware and Cogis are not trying to sell products online, their customers demand a development of strong relationship and face-to-face communication. They have objectives of business and brand development. They obtain leads through the web site and form a company image for people who visit the site to build own opinion of the company. They mainly employ a direct marketing where Internet is only a supportive tool.

However, Mindware anyway develop the site to generate more trust to the company and products. The site is quite informative. Besides the descriptive introduction the company updates the news, so that customers and prospects are able to follow the main achievements of the company. The same situation occurs with the Digital Route. They have a dynamic and very user-friendly web site that communicates information on products and services the company offers. The company also updates their news twice a month, and integrates the site with social network presence.

On the other side, WOT and SamLogic introduce the examples of a marketing web site. Although the sites contain the general information on company history and products, they have a purpose to increase orders by visitors. The sites provide different interactive features that allow ordering their products online.

Every company has a social web presence, mostly on Facebook, Youtube, Twitter, and Linkedin. However, SamLogic and Mindware are not very active members of the social web. They only post their videos on Youtube, simply because as CEO of Mindware stated: "Nice to have channel". WOT and Digital Route are the brightest examples of active participation in online social networks among the other case companies. DigitalRoute participates in already existing famous social networks as Facebook and Linkedin. Nevertheless, WOT is even more social company. Besides Facebook, Linkedin, Twitter, Youtube, and Flickr, WOT have their own blog, forum, and community on site. However, they focus on social web so much, because it is essential for their business.

Placing ads and promotions online is also widely used way among the case companies. Obviously, ads in Google search engine are the most popular technique. SamLogic considers it as the most significant online marketing method, in order to increase web site visibility. Moreover, SamLogic place their advertisements on relevant web sites as online IT magazines. WOT either making their services visible through other websites, and this way generates the most popularity to their services.

When it comes to the use of e-mail, the companies are very careful in distributing the messages. They don't abuse the recipients with unwanted junk e-mails. Digital Route has a targeted e-mail campaign and use it for the direct communication with customers.

Through their website users may order a specific information about the products. Sam-Logic has e-newsletter program. They send newsletters to the customers and subscribers. This way, most of the companies use e-mail as a communication tool. Only Mindware does not consider e-mail as an appropriate way of online marketing. Moreover, Digital Route prefers to communicate more through the social web than e-mail in the future.

The respondents also use every way of online marketing to promote their websites. For example, Digital Route actively promotes the website through the social networks. SamLogic has the promotion integrated with their newsletter program. Moreover, SamLogic as well as the most case companies place ads on Google and use Search Engine Optimization to obtain an organic traffic to the website. At the same time WOT simply enjoys the popularity of their free download.

The respondents did not provide any specific information about how different ways of online marketing help improving their sales. The author thinks that the companies simply do not employ the proper techniques to estimate the cost effectiveness of their online presence. Two out of five respondents only mentioned that it is difficult to see the direct results, especially in business-to-business operations.

However, the companies identify the advantages of online marketing. Mainly companies see the benefits in quick and easy communication, improved credibility and increased awareness. Moreover, it is very cost-effective method to obtain customers especially from foreign countries. Even in case of Mindware, when the Internet does not play an important role for the business, online presence is simply a good way to share the information and good references, and show that the company exists and doing something.

However, online marketing is challenging for almost every company. Internet brings fast changing tendencies that are not always easy to follow. Moreover, different methods produce different challenges, as sensitive anti-spam filters that block newsletter, huge competition in search engines, or resource issue for constantly updating the website content. Additionally, the Internet requires technical skills that also have to be always up-to-date. Only WOT does not face any special challenges in online marketing.

Although WOT stated that they have a limited resources, the company is quite good example of successful online marketing.

Most of the companies do everything in-house and very seldom use the help of outside specialists. Internet activities are under the responsibility of marketing professionals. However, it works well with IT companies as technically skilled people are already in the house. This way marketing department always has internal technical support. In addition, it is very easy to find today different web site solutions with the ready templates, which allow to update and reconstruct the website with small technical knowledge.

As Internet is rapidly changing environment, most of the companies feel that they have a way to improve their online marketing. WOT proactively stated that everything could be improved. At the same time SamLogic feels that they need to work out their social media presence, as they have not done a lot in this area yet. Mindware would add more content to the website to make the company and products more trustable. Moreover, being a beginner in online marketing Cogis prefer first of all develop their website visibility through Search Engine Optimization and Google ads. However, Digital Route feels that the company already uses Internet to its full potential.

Comparing past and future trends, companies want to be more involved in social communities. Digital Route prefers to concentrate less on e-mails and focus more on social network. Cogis as well planning to integrate social networks with their website. SamLogic either feels that the importance of the social web will increase even more in the future. In case of WOT, everything that makes sense has to be involved in online marketing strategy.

The importance of Internet will continue to grow in the future. Even if it is just a supportive medium for other marketing activities like in case of Mindware, anyway it provides huge opportunities for the marketing, and benefits both the companies and consumers.

In general case companies have a lot in common. Mostly they have similar approaches to online marketing. However, their target market is different and therefore they apply these techniques differently. Some of the case companies are more advanced online

marketers than the others. Moreover, to be effective Internet marketer, all strategies should be improved continuously, to fit in with technological development.

Internet provides equal possibilities for every company. It is highly competitive and dynamic environment. To react on changes on time and follow the trends is not enough. The companies have to be proactive to succeed in this medium.

7   CONCLUSION

The research was conducted with the aim to learn about various ways of online marketing, as well as study current Internet marketing activities in five IT companies in order to explain how to build effective online marketing presence.

The topic of this research was online marketing. The major question of this research was how IT companies conduct their online marketing. All objectives of the study were performed successfully. Objectives formed a research structure in a way to answer the question in focus.

Qualitative methods of data collection were chosen. Qualitative methods were combined with the case study. This combination produced the best results for the thesis. The author obtained the results through interviews with the managerial stuff involved in online marketing in case companies.

The thesis was separated on four different parts. Every part corresponds to the objective defined at the beginning of the study. The first part of the thesis described main aspects of marketing evolution. It showed that old rules of marketing are not effective anymore. The second part explained that Internet is challenging environment, with a lot opportunities for business, as well as beneficial for the society. The third part explored the different ways the companies conduct their online marketing nowadays, and showed that for effective online marketing all this ways should be integrated with each other.

The forth part of the study is the empirical research, which showed that small and medium IT companies are quite good online marketers although they have a limited re-

sources. Mostly, all companies effectively apply all ways of online marketing that may rich their target audience. All ways are integrated with their web sites to meet the objectives. Moreover, almost all companies follow the tendencies brought by Internet. Nevertheless, the study also shows that companies have to be more proactive to succeed in competitive and dynamic Internet environment.

In general, during the process of the thesis writing, the author was inspired by the actuality of the research topic, and didn't loose the interest during the whole process. Although, in some points it was quite challenging, the author obtained a lot of new and valuable knowledge.

At the end author would like to add that she is very satisfied with the results and knowledge acquired from the research, which will be very helpful for her further career. Moreover, the results of this research will be useful for people interested in online marketing and companies participated in the study.

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APPENDICES

Interview Questions:

1. Could You, please, define your name and position in the company

2. Explain the importance of online marketing for your company?

3. What ways of online marketing are you using? Which one is the most significant for your company, and how does it help improving your sales?

4. How do you promote your website?

5. What kind of benefits does your company obtain from online marketing?

6. What are the challenges of online marketing do you face, and how do you overcome them?

7. Who is responsible for your online marketing? Are you outsourcing any of your Internet marketing activities? If yes, what kind of activities do you outsource?

8. Do you feel you are using all marketing opportunities provided by the Internet? If not, what would you improve?

9. How do you see the development of online marketing in your company comparing past and future trends?