USAGE OF ONLINE MARKETING TOOLS IN INDUSTRIAL COMPANIES

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Abstract

In this paper, we present the results of a secondary research regarding the use of online marketing tools in industrial companies. We focused on researching the theoretical foundations of online marketing, especially in the field of using its SEO and PPC tools. We defined the basic concepts, described the principles of individual tools and dealt with their comparison. Based on the study of data from published studies, we analysed the use of online marketing tools in the conditions of industrial companies operating in the Slovak republic. In future, it will be appropriate to expand the research and focus on the specifics and comparison of these tools' utilisation in different types of industrial companies.

Key words

Online marketing, SEO, PPC, industrial company

INTRODUCTION

When developing marketing strategies, so-called “Offline marketing”, which represents the application of traditional marketing communication channels such as radio, television, print, billboards and recent years modern lighting panels called citylight etc. in mainly used.

Online marketing comes with the advent of modern technologies (smart devices). It provides business an easy way to make their brands and products visible to customers through the Internet [1]. Online marketing represents modern communication channels such as websites, the Internet search engines, social networks, newsletters, online media etc. The most widespread tools within modern communication channels comprise:

- SEM – Search Engine Marketing
- SEO – Search Engine Optimization
- PPC – Pay Per Click
- Social networks

- Banner advertising
- E-mailing
- Podcasting
- Blog

Their application is directly dependent on the focus of the company and the industry in which it operates. If the company is exclusively focused on the sale of products from other manufacturers, the optimal solution is to choose from several tools mentioned above. On the other hand, if the company sells its own products (most industrial companies operate on this principle), it is necessary to be seen by a specific group of potential customers for whom the tools like SEM, SEO and PPC are used [2]. The following sections will provide definitions of these tools and their comparison in terms of practical use and cost.

MATERIALS AND METHODS

The main aim of the research described in this paper was to provide the theoretical foundations of online marketing, especially in the field of using its SEO and PPC tools, and analyse the current state of using the online marketing tools in the conditions of industrial companies operating in the Slovak republic.

The research sample was composed of 30 industrial companies operating in the territory of the Slovak Republic from all over the market, without special focus and size limitation.

Definition of SEM and SEO

The web has become an indispensable modern tool for everyday human routine on a global basis. Its main advantage is its suitability for information retrieval and communication in various ways [3]. This fact has led companies to start using online marketing advertising for their business through their own websites [4].

SEM (Search Engine Marketing) in simple translation means Search engine marketing. In practice, it means optimization in search engines such as world-famous Google, Yahoo or Bing. The basic feature of SEM is a paid form of optimization that does not depend on another SEO tool at all.

The English acronym SEO means optimization for search engines and is the cornerstone for building a search engine marketing strategy. Search engine optimization plays a very important role in online marketing, which can be a critical parameter for influencing success in any business [5]. Every website owner strives to achieve the best possible search engine ranking to reach increasing chances of attracting greater number of potential customers [6][7]. Optimization is a science combining science and marketing in one unit, and analysing several factors and parameters [8].

By using this method, it is possible to optimize the entire website and its complete content [9]. This tool is the most difficult tool to understand, because there is a big number of individual components that make up the overall concept [10].

Through the SEO optimization, the occurrence of negative factors that affect and prevent a website from better ranking in search is minimized, or eliminated [11]. The ideal option is to use this tool directly when you first create your company website. Otherwise, it is possible to modify the current website, but such a conversion is a bit more difficult owing to the partial adaptation to the current situation. After successfully applying SEO and setting content, the website can naturally appear among the top respectively better placed ranks in search engine results. The very first positive results can be seen within the first month of the modifications made, while more significant changes can be seen in the first quarter [12].

Figure 1 SEO process scheme [Adapted from 12]

Area of the SEM and SEO tools application in small and medium sized companies has been addressed by several authors, and Drimal (2011) states that the sooner such companies start optimizing their websites using these two tools, the sooner they will gain a competitive advantage over other companies which do not have enough awareness and information. The companies can manage the SEO process without external assistance, and save considerable resources if they have the necessary work capacity [12].

Definition of PPC advertising

Any company which is using the website as the main point of sale of its products should invest funds in its website [13]. This is a paid form of online advertising in the form of an online campaign that appears in search results through search engines. The biggest advantage of this tool is that you only pay for a visitor who came to the company's website through a click-through from online advertising search engine. As an online marketing tool, PPC is one of the fastest options for a company to appear in the top search results. It is necessary, however, to carefully define the target group, review it and then evaluate the campaign.

ATTAINED RESULTS OF SECONDARY RESEARCH – COMPARISON OF THE SEO AND PPC ADVERTISING

Within the article, we conducted primary and secondary research, both carried out in two successive phases. In the first phase, secondary research was carried out in the form of study of published surveys and studies focused on the simultaneous use of the SEO and PPC advertising tools in modern online marketing. In the second phase, primary research was carried out aimed at mapping the use of the SEO and PPC tools in the industrial companies operating in the territory of the Slovak republic – data were collected through direct results in Google.

Several authors have dealt with this topic; below are the results of the ORGANIC vs. PPC Search Engine Marketing. The study focused on comparing the use of both tools in practice and their cost. In the first step, the study focused on mapping the use of the tools by companies, and

offered relatively unambiguous results. The graph below shows the evident SEO leader with 95% usage versus PPC with 5% usage [14].

Figure 2 Proportion of tool usage [Adapted from 14]

The second step of the study was to compare how much money the companies spent in getting one click on their website. The comparison was made in the American \$ with outcome that SEO again attained better result than PPC. The cost of getting one click through SEO was 0.07 \$ (app. 0.06 €), while the cost of getting one click through PPC was 0.63 \$ (app. 0.57 €) [14].

Figure 3 Tool average cost per click [Adapted from 14]

Based on the above study, the following section provides analysis of the current state of use of both SEO and PPC tools in the conditions of industrial companies operating in the Slovak republic.

ATTAINED RESULTS OF ANALYSIS OF THE SEO AND PPC TOOLS UTILISATION IN INDUSTRIAL COMPANIES

The primary research included the use of the SEO and PPC tools on a sample of 30 industrial companies operating in the Slovak republic. Google has been chosen as an Internet search engine – which currently occupies the world's largest market share and is also one of the most used search engines in the Slovak republic.

The first step of the analysis was to find the SEO usage rate with a set of 4 basic categories – $\leq$ TOP 5 (position among the first 5 positions), $\leq$ TOP 10 (position between 6-10 positions), $\leq$ TOP 20 (position between 11-20 positions) and $>$ TOP 20 (position 21 and more).

Figure 4 SEO usage at Google search [own processing]

The results show the active use of SEO by industrial companies, yet still with considerable room for improvement, especially in the case of the companies located at the 21 position and above.

In the second step, the analysis focused on measuring the rate of the PPC usage while not using more detailed categorization as in the previous case of SEO.

Figure 5 PPC usage at Google search [own processing]

The results indicate the minimum use of PPC by industrial companies operating in the Slovak republic. The PPC use by direct producers from the selected statistical set is on the minimal level.

Based on the primary and secondary research, we could concluded that SEO is currently the preferred online marketing tool for the websites of industrial companies operating in the Slovak republic. However, it should be noted that this was a small sample of industrial companies; in practice, there may be cases where PPC might yield better economic results than

SEO – e.g. when immediate application of the marketing tool is required and large initial costs are not possible [15].

CONCLUSION

With the advent of modern technology and the global availability of the Internet in modern society are number of tools at the forefront of better search engine ranking, such as Google. The world's most widely used tools are SEO and PPC, which are also actively used by companies operating in the Slovak republic, yet still with considerable room for improvement, thereby making their market presence more visible and more likely to increase the number of active customers.

The question of using online marketing tools in different types of companies in terms of their size, industry, international operations, etc. remains open. In the future, we plan to streamline the primary research and focus, among other issues, on specifics and comparison of the use of the online marketing tools in different companies. There is also a challenge to discuss which online marketing tool effectively contributes to the successful competitiveness of individual companies in the market, or what are the options to set performance indicators in this area?

The research was carried out on a relatively small sample of industrial companies and only two tools were analysed. The further primary research will be carried out on a larger sample of companies operating both inside/outside the Slovak republic, and will include more modern online marketing tools than SEO and PPC.

Aknowledgement

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