

ONLINE MARKETING TOOLS USED BY ROMANIAN SMEs

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The purpose of this paper is to determine what are the most successful online marketing strategies from the perspective of Romanian SMEs' representatives, both employees, and managers, and what are the benefits obtained for each strategy. The paper presents firstly an overview of what online marketing strategies imply for a company, and secondly, the research methodology and results are discussed. Data are analyzed using SPSS software and the results obtained are then correlated with the online success of the company.

Keywords: online marketing, social media, search engines, SMEs.

1. Introduction

In the digital world, we live in, where things happen instantly, and the access to information is practically unlimited, the businesses must keep up with the new technologies and be permanently present online to be able to respond the consumer needs.

With the help of the tools the Internet provides, business representatives can faster obtain high odds of notoriety for new businesses, can better choose the target market and measure the results of the marketing campaigns, through social media networks and not only.

Another thing that accesses to Internet gave people is a commodity. It's easier for people to search the best offer for a product or a service from their homes, and after visualizing the available options and taking a decision, to have the product delivered home. Therefore, it's more than just commodity people have through Internet; it's also a gain of time.

The Internet is a globally active environment, who changed marketing. The business environment needs to have the capacity to adapt to the constant changes imposed by the Internet so that the organizations, whether they are online stores, mobile services suppliers, consecrated car brands, etc., can be able to remain desirable, competitive and relevant for their target market. Therefore, marketers should have the capacity to incorporate new technologies in the organization's business way that he or she represents and to be able to adapt the marketing strategy to these changes. [1]

A benefit is represented by the fact the geographical borders don't represent an obstacle for the Internet because it allows an organization to get in touch with

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other business partners that aren't necessarily in the organization's country origin. Hence, organizations extended their client portfolio, and a notable result is decreased costs and a greater efficiency regarding different transactions with the consumers.

The author considers that taking into account all ideas presented above, online marketing represents a huge opportunity for all companies, regardless their business domain. "If companies can apply SEO techniques to decide what information appears first on browser searches, on social networks they lost all control, as social networks are implied free user-generated content". [2]

The main purpose of this study is first, to provide an empirical analysis of the concepts of online marketing, search engines and social networks. Secondly, the exploratory study conducted among managers and employees of Romanian SMEs aim at determining what the most successful online marketing strategies from the perspective of Romanian SMEs' representatives are.

The paper is organized as follows. First, the author review prior studies on this topic adapt and comment their findings on online marketing strategies use from the perspective of the Romanian SMEs. Secondly, the research questions and methodology are presented in detail. Then, the results of the study are discussed together with the management implications, the author describing the directions for further research.

2. Theoretical background

Marketing is defined as "the process by which companies create value for customers and build strong customer relationships to capture value from customers in return". [3]

Garber *et al.* states that "Marketing means the sum of all efforts directed by an enterprise to satisfy its consumers with a profit." [4], while Sinkula considers that "Marketing is both a managerial orientation - some would support a business philosophy - and an economic function." [5]. Pires mentions marketing as an "entire system of economic activities related to programming, pricing, promotion and distribution of products and services designed to meet the needs of current and potential consumers." [6]

Marketing refers to the value of a product or service to potential customers to sell that product or service, and at the same time, marketing is everything a company does to acquire customers and maintain a relationship with them.

Online marketing is a type of marketing that emerged with the apparition of the internet, search engines and social media platforms. It has the same functions as conventional marketing but uses a different set of instruments.

Social media is different from traditional media in many ways, including quality, reach, frequency, usability, immediacy, and permanence. It is this very

uniqueness that turns social media into a double-edged blade. Social media characteristically gives a lot of control to the public over the image of a brand. According to Ioanid *et al.* social network sites represent a huge opportunity for SMEs, regardless of their business domain. “In Romania, not so many companies know how to deal with almost half of the population of the country being present on social networks sites and especially on Facebook, and have less control over the information shared by customers”. [2]

The search engines marketing, with techniques such as SEO, AdWords, and others, have promised to offer more accurate results. And in many ways, AdWords delivers on its promise, offering streamlined data about how a campaign is doing. This includes budget and ROI- related data. This system varies based on goals, but generally, ROI here translates into impressions or conversions. The ad- runner define the latter. A general example of a conversion would be a user reaching the checkout page of an online store after reaching its offering through an AdWords ad. [7]

In the figure below, it can be observed how Kotler advice to design a marketing process having the client in the center.



Fig1. Designing the marketing process (adapted after [3])

Kietzmann *et al.* [8] designed a model with seven functional blocks of social media: identity, conversations, sharing, presence, relationship, reputation, and groups. Each of “these blocks allow researchers to determine the social media user experience and the implications for the company.” [2, 8]

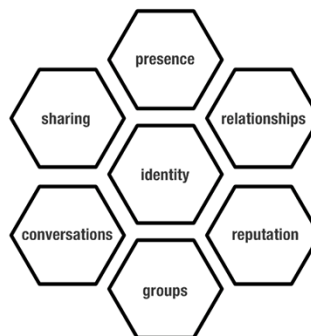


Fig2. The honeycomb of social media functionalities (adapted [2])

As Ioanid *et al.* briefly presented each block serves a different purpose. The central block, *Identity* allows the user to self-promote. The second block, *Conversations*, might be analyzed to determine how favorable or unfavorable the users towards their company or products/ services offered are. *Sharing* allows user to distribute content. “The *Presence* block gives information on how the company can be reached. *Relationships* block offers value to a network, as depending on the number of relations and on their density a user can be considered influential or not. The *Reputation* block is in most cases a matter of trust, various tools being used to determine the trustworthiness of a company or a brand. Finally, the *Group* block is influenced by the way users form communities. In most of the case their interests, hobbies, and aspirations bring them together in a group” [2]

The main instruments of online marketing strategies are listed below and can be used separately or grouped according to the purpose of the SME’s marketing campaign. In a preliminary study among Romanian SMEs, the following three instruments showed up to be the most used, and even if sometimes other tools were taken into consideration, the majority of the SMEs constantly used just these, so they were maintained for the present research.

1. Search engine optimization (SEO)
2. Social Media Marketing (SMM)
3. Pay-per-click advertising (PPC)
4. Affiliate Marketing
5. E-mail Marketing

The author wants to test which of the instruments listed above lead to the success of online marketing campaigns among Romanian SMEs.

3. Methodology and results

Sample

The data was collected through a structured questionnaire in January 2018, by surveying employees, managers or entrepreneurs in Romania. The respondents represent 31 Romanian SMEs, are based in Bucharest and belong to a wide range of business fields, from production to management consultancy.

Descriptive statistics

Table 1

SMEs sector of activity - sample structure

Service-based SME sector of activity	Percentage
Health	17%
Tourism	10%
Cleaning services	8%
Architecture	4%
IT	37%
Training	14%

Management consulting	7%
Accounting	1%
Catering	1%
Other sectors of activity	1%

The respondents are employees, managers and entrepreneurs, 21 women, and 17 men, aged between 27 and 68, all graduates of university studies. One limitation of this study is that all SMEs are in Bucharest, so this study cannot be extended nationally.

The items used in this study were carefully analyzed, each dependent mediator and the independent variable is measured with a 5 Likert multi-level scale. The answers ranged from 1 (strongly disagree) to 5 (strongly agree). All respondents were asked to express their perception on which of the following online marketing instrument increased their business performance (both online and offline). The author decided not to separate the performance into online and offline because many of the respondents could not separate the two, as it is very difficult to say whether the success comes from only online marketing or both online and conventional.

The results of the survey were the following:

Table 2

The frequencies for the perceived success due to each of the online marketing instruments

Item	Strongly disagree	Disagree	Indifferent	Agree	Strongly agree
I1 - Search engine optimization	0%	5%	13%	38%	56%
I2 - Social Media Marketing	0%	0%	3%	21%	76%
I3 - Pay-per-click advertising	2%	7%	25%	41%	25%
I4 - Affiliate Marketing	4%	4%	35%	36%	21%
I5 - E-mail Marketing	61%	12%	15%	10%	2%

It can be noticed that the majority of the subjects consider that their most profitable online marketing strategy is social media marketing, referring especially to well-known networks like Facebook, Twitter, Instagram, etc.

The author tested using linear regression analysis in SPSS Modeler if the items listed in the table above influence the success of the company's marketing campaigns and in what percent. The independent variables are the five items presented above and the dependent variable is the perceived success of the company after applying these marketing instruments. The results of the linear regression ($R=0,673$ for $p<0.001$) prove that there is a significant correlation among the items tested and the value of R Square, 0.340, explains 34% of the perceived success of the marketing campaign.

The author notices that in Romania SMEs don't trust e-mail marketing as very few recipients open the e-mails containing promotions, and also they don't rely much on affiliate marketing. The most used and successful instruments are SEO and SMM considering that more than half of the respondents consider they obtain high returns after applying them separately or together.

4. Conclusions

Considering that SMEs are flexible regarding the online marketing instruments and they look for value due to innovation, it is recommended to apply at least the first three of the online marketing instruments considering they improve the overall success of an organization with 34%. At the same time, taking into consideration the fact that SMEs have a limited budget at the beginning, the author suggests investing in online marketing techniques that have been proven profitable rather than spending too much on conventional marketing strategies.

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