

## ONLINE MARKETING AND NETWORKING OF COMPANY

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### **Abstract:**

Today you can find on the Internet almost all the information you need. But we want to reach it in the shortest time possible and with the minimum effort. The companies that advertise their services and products via the Internet face the same problems. The purpose of this article is to describe how to redirect the mindset of the individual and what to do to make the company more recognizable, how to increase market share and how to connect to several companies in the network. This is why in this paper we focus primarily on the World Wide Web, the importance of networking, promotion and marketing. We will present virtual company Alpe - Jadran, whose business is marketing the apartments and the tactics which will maximize the visibility and popularity of market performance. This way we will gradually sell more and more capacities and, consequently make profit. After analyzing the interview, conducted among several similar companies, we claim that we can expect positive effects if the company Alpe - Jadran increases its visibility with a wider network of companies and networking with similar tourism portals, using the free social networking and direct advertising via e-mail. All of these options will contribute to a greater recognition of the company and thereby to the growing demand for its services. The aim of the campaign is to increase sales volume and profit.

*Keywords: online marketing, networking, world wide web, virtual enterprise, web marketing.*

## 1. THE WORLD WIDE WEB

The World Wide Web has become an important tool which enables us to work on remote computer systems, file transfer, electronic mail and information sharing within interest groups, the so-called distribution lists. Birth of the World Wide Web is also closely associated with the unsatisfactory organization of information. Due to the existing decentralized web-based network in 1993 Berner Lee brought his idea to life and the World Wide Web was rapidly spreading from institute level all around the world, thus justifying its global description. Its user interface was called Mosaic and was the first purpose-designed computer program, a search engine, which allowed users to browse the Web using a computer mouse. After that we witnessed rapid development of the World Wide Web, which has become synonymous for Internet. "The growth of the Internet has surprised everyone. The systems of telephone companies were under pressure due to high number of users. The government has failed to implement an effective system of regulation and censorship. Business Secretary has been unable to capitalize and control through ownership, as it happened in other media." (Stewart & others, 2001, p. 69).

In 1993 the first internet search engine Lycos had recorded already 800,000 web sites. The first Internet Company which operated exclusively via the Internet, Amazon bookstore, was established in 1995. In 2007 the Internet search engine Google had 40 billion indexed Web pages. Use of the Web and the Internet is like the most notorious epidemics of "mad" world and is rapidly acquiring new customers. Increasing mass of users has started to attract the investors and the capital as telecommunication companies and content providers are increasing their role. "Communications companies worldwide have started to create cross-border, multi-media consortia and alliances, in order to circumvent the existing laws, while reduce the cost and level of risk inherent in an area that is rapidly developing into a huge, single, global market." (Deibert, 1997, p. 129). Theoretically, there is a possibility of establishing a communication channel with almost any person on this planet at any time, only if access to the communications infrastructure is available. With the expansion of bandwidth, allowing faster data transmission, the Web presentation began to change from boring text to increasingly colorful presentations which are, in chronological order, including animation, sound and video. This is also a result of the increasingly powerful computer systems that were developed very quickly, more than any technology before. The development was very fast and even for service providers and content creators hard to follow. Today 17 percent of world population and in most developed societies even 70 percent of the population has access to the Internet. (Mc Luhan, 1989).

The World Wide Web as the most used Internet technology has, like other media, advantages and disadvantages. The Web allows access to multiple interconnected sources of information that can be dynamic and changeable. In these information levels, the Internet differs most from other media. On the other hand, at these levels one can also identify several weaknesses. Man has not yet been confronted with such a large amount of dubious quality information. From this point of view it seems that the biggest advantage of the Web is its biggest weakness. Of course, the lack of oversight and regulation has also negative consequences. Potentially harmful content and opinions (hostility, racism, intolerance, etc.) are extremely easy to access. This fact is especially important for younger Internet users, who have difficulties in making rational decisions (taking into account long-term consequences of their actions). (Flew, 2005).

## 2. THE VIRTUAL ENTERPRISE

The virtual enterprise is a dynamic form of organizational network connections, which have a limited duration. According to a business purpose the enterprise exists as long as its operation exploiting opportunities. At this point it is necessary to explain the difference between virtual organization and virtual community: the company works with business purposes, a virtual organization does not always work to maximize profits (e.g. universities, research organizations, companies, etc.). However, the basic features are in both cases the same (Cueni & Seize, 1999).

In the business world we are faced with several types of virtuality, from outsourcing to large distances, to employees who use phone and e-mail only for global communication. Generally it is difficult to distinguish between the natural evolution of working practices and the major changes in the nature of organizations. The difference is often minimal (Cueni & Seize, 1999). The most common types of virtuality are: virtual products and services, work at a distance, virtual offices, virtual teams, and virtual organizations. All forms of virtuality have of course something in common: the use of information and communication technologies (allowing geographical and temporal independence), a new way of communicating with customers and markets, a new way of work for employees and colleagues, etc.

E-commerce includes doing business via electronic media. It is based on electronic processing and data transmission, including text, sound and picture. With e-commerce businesses and also all other users of electronic media can expand their business opportunities with a very distant subjects. There are several types of e-commerce:

- Between companies and individuals (E-commerce - commercial transactions over the Internet)
- Between Business (transactions between companies)
- Between individuals and state institutions (electronic funds, income tax, etc.)
- Between businesses and the state (financial transactions between the company and country).

Historically speaking, e-commerce began to develop simultaneously with the development of Internet. Taking into account e-commerce Toplišek states that electronic trading is possible for wholesale and retail business, not tied to the type of goods. Operations usually take place between two or more entities. Business volume is released; it may be implemented in the global marketplace (Toplišek, 1998, p. 15-21).

## 3. NETWORKING

Networking is a key life skill and the basis of human relations. "Networking is primarily the ability of good communication and building relationships." (Student, 2012). The network is a group of people who have common interests in related areas. Their interconnections are informal and non-hierarchical. If you would want to find a phrase which above all marked the world of internet in the last year, this would certainly be social networking. The concept could be described as the use of various tools for connecting with individuals and groups. Until now information technology was not concerned much with human beings. But this is not the main reason for existence and development of IT. We focused technology on people because most people can learn from each other. "Business social networking is for learning people from the people." (Pauletič I., 2011).

Business networking in the business world we call grooming, which is more than just getting to know or meet people. We socialize with people from all over the world, with important

people from business world and successful members of organization. Any manager, who wants to be successful, needs to build and have a good network of business contacts. Via this network one can create business opportunities, obtain business information, and make better business decisions. When users register in a certain community, they must provide certain information, such as gender, place of residence, year of birth and other. Thus owners of online communities own huge collections of personal information which can then later be sold to companies.

Facebook and LinkedIn are two of the most popular online communities. Both have a large Website database of members' personal data. By using this data the companies can make very detailed business segmentation of their target consumers. Companies can in both communities create their own low-cost advertisements which are assembled from only a few words of description and a small picture. Because the ads are well targeted and positioned they receive a good response. Facebook is appropriate place for marketing also because it offers the possibility of installation of Facebook Pages and Facebook Groups, where one can present company products and services. You can send messages to your members and fans and keep them informed about your latest news. Each user interaction with the company displays in user's profile, visible to all his friends and that is good viral communication. LinkedIn does not yet allow installing of company profile. That may also be the disadvantage of this community. Also viral communication is not as rapid and extensive as on Facebook. LinkedIn is a network which is primarily intended for the creation and acquisition of business contacts, search for job opportunities and finding of potential business partners.

Companies must also be connected with each other. It is not enough that companies interconnect only regarding the sales and purchasing level, there must be also the transfer of knowledge. It is very important that the employees are well networked in order to establish links with the most appropriate external colleagues. The companies often forget that one can be connected with others also when working on development projects. In that respect each company usually relies on its own strength, although it would often be better to link with the others. The analysis of the labour market and many other analyses will be carried out faster and with less costs in conjunction with several companies, if we direct more attention to the development and support of informal networks among companies. Our value is thus related to the number of links and their quality. We are responsible on how to increase this value. "Each of us has the potential to inspire counterparts and overflow him with energy. But first of all we have to consciously want and develop this. There is no need to imitate anyone. It is important to be a positive person who is willing to help." (Združenje manager, 2012). We can contribute a lot to our network, such as our time, experience, knowledge, positive energy, reputation and name.

#### **4. MARKETING**

The concept of marketing originates in the Anglo-Saxon term "Marketing", which was formed from the word "The Market", which means the market and includes all activities which are connected with the market. When defining marketing we often run into difficulties, because there is no uniform definition of what marketing is. In common usage, the concept of marketing is still often equated with the concept or the notion of advertising and sales. These concepts cannot be equated (Konečnik Ruzzier M., 2010, p.1). Marketing is typically understood as task creation, promotion and dissemination of products and services to consumers and businesses. Marketers are responsible for dealing with demand. Marketing managers seek to influence the level, timing and composition of demand, to achieve the objectives of the organization. Marketers are involved in marketing goods, services,

experiences, events, people, places, property, organizations, information and ideas. (Kotler, 2004, p. 5).

Marketing areas are much broader and contain in particular:

- Market research, to provide information on market situation and market developments,
- Marketing plan, through which we imagine how we will operate on the market,
- Preparation of marketing campaigns, with which we intend to influence consumers,
- Implementation of marketing campaigns, which is particularly important to develop new products, design of sales prices, routes and developing sales and advertising - these activities are called fundamental marketing instruments,
- Monitoring the effectiveness of marketing campaigns,
- Direct selling,
- Control of all those in marketing (Potočník, 2005, p. 20-21).

The process of strategic marketing planning (Konečník Ruzzier M., 2011) must include the following steps: defining the mission, strategic analysis (external and internal), marketing objectives, marketing strategies, marketing programs, financial projections, monitoring and control.

Marketing Web was first developed by Harvard Professor Borden in the early fifties of last century. He presented the 12 elements of marketing for companies that produce finished products. These marketing elements are: product design, pricing policy, brand, distribution channels, personal selling, advertising, promotion, packaging, product display, services, accompanying articles, fact finding and analysis. In 1960, McCarty said that these 12 elements are too much for systematic understanding of the concept and proposed simplification of the marketing web to 4 elements (4P Marketing): product, price, placement and promotion. The concept was developed for products, not services. They added three additional elements to 4P and expanded the Web to 7P. Three additional elements are: people, process and physical attributes (Brezovec, German Rudež, 2009, p. 127-128). Selecting and reviewing target markets is the basis for defining the marketing web, consisting of product, price, marketing channel and marketing communication. These components are called the marketing web variables, because the company can change the volume or quantity of each ingredient, if necessary, depending on demand of the target market. The company must develop its marketing web in a way to be most suitable for the requirements of the target market. Gathering information by company is the fundament to create the basis for the creation of such a marketing web that will satisfy targeted customers.

Creating an effective marketing web is an important issue for company's success. Quality product with favourable price and developed distribution network can fail due to poor advertising. Marketing web variables are closely related and interdependent, so the weakness of one is immediately reflected in the performance of the entire web (Potočník, 2005, p. 53).

## **5. WEB MARKETING**

Rolih (2007) defined marketing with the help of search engines as the use of means which increase the number of visitors who come to the website from the search engines.

Organization SEMPO defined it as "the activity of marketing a website via search engines, whether it be improving the situation on the hit list, lease of advertising space on search engines or a combination of these and other activities associated with the search engines."

Electronic business in its broadest sense includes the use of all forms of information and communication technologies in business relations between production, trade and service organizations, data providers, consumers and state administration. Electronic business is particularly important in three areas: making connections between consumers and companies, the internal operations of companies and the business between the organizations (Potočník, 2005, p. 362). The table shows the key changes and adjustments that the information and communications technology (ICT) had on strategic marketing. ICT represents marketing challenge for modern companies which can exploit it to their advantage if they have enough marketing and other skills to be able to respond in time to the changing of market conditions (Konečník Ruzzier M., 2011, p. 35).

**Table 1:** Impact of ICT on strategic marketing

Target marketing approach	Refined approach to target marketing; consumer presence on social networking sites means treasure of information on potential consumers; many existing consumer base will facilitate identification of target groups; facilitated adjustment for positioning of the product / other entity due to the detailed knowledge of the target group.
Product / other entity	Transparent and comparable; accessible worldwide; digital; custom designed according to contemporary consumer; individual.
Price	Dynamic, transparent, flexible.
Marketing channels	Shorter, fewer elements on the way; new intermediaries; global; virtual.
Marketing Communications	Changed influence of the media (Internet as opposed to television); an invaluable impact of a good websites; increased possibility of targeted communications; interactive marketing; marketing with the agreement.
People	Users with access to modern technologies, which enable active participation; social networks, employees with the possibility of using modern technologies. All people (customers, employees, other participants) shape the product / other entity.
Procedures	Systems, enabling instant reservations and purchases of products; technologies which enable virtual experiences; metrics-closer monitoring of the marketing efficiency and marketing communications.
Physical evidence	Website of the product / other entity is important physical evidence; virtual experiences.

A good website is necessary for modern enterprise and indispensable in its marketing. It is the center of marketing and business communications web. In its design and upgrading it should be taken into account that it must be attractive to its visitors, and also useful. It must be transparent and optimized to allow rapid access. Besides the content, graphic design of the site is also important with its optimum colour consistency, tailored-level language and up to date information. Attractiveness, usability and site content should be based on a clear understanding of the target group company/ other entity. Companies targeting global customers prepare their websites in different language versions (Konečník Ruzzier M., 2011, p. 38). Potočník (2005) states how the companies set up an electronic store (e-shop) which creates its own Internet website.



It is well known that marketing with the help of the search tools is effective and even the most cost-effective advertising at the moment. Due of low costs also small businesses and entrepreneurs can afford it. In any case, these opportunities should not be missed by the larger companies, for which this will be minimal cost. The results are without a doubt positive, since marketing via search engine is targeted advertising.

Currently, not only in Slovenia, but worldwide, the most popular advertising is linked to the keywords. The process of selection of keywords can make website a success or failure. Potential buyers are looking online for websites and if the site does not appear among the results by keywords, by which users look for it, the website of course, will not be found. With the optimal choice of words it is less likely that you will attract such visitors, who will leave the site after a few seconds, because they will find out it does not comply with the purpose of the visit.

"Good position of the websites on search engines is vital for each website." (Pcmobil, 2012). Most users (90%) will visit us via search engines such as google.com and najdi.si. Visitors will find us, if we will be correctly ranked in search engines. "Survey results show that 80% of clicks on the link occur on the first page of search results. If our site is not among the top ten hits, it's likely that users will overlook it." (Multimedija, 2012).

The results of our work will be, due to different modes of search engines, seen only after a certain time (for some we will have to wait for a few weeks). Therefore the determination of the correct use of optimization methods is difficult.

## **6. USE OF NETWORKING IN THE WEB (ONLINE) MARKETING**

Alpe - Adria is one-man company, 100% owned by its founder and acting as a virtual company. It is offering about 5000 apartments, mainly in Slovenia and Croatia. The company operates in a network with many companies engaged in marketing apartments. Companies are organized on a local or regional basis. Their task is also the reception and accommodation of guests in a certain part of Slovenia and on Croatian coast, where they have made arrangement for business cooperation.

Our guidelines for better visibility of the company and as a result, the increased market share are:

1. Offer quality services at a low price,
2. Use creativity and take advantage of the opportunities,
3. Connect as many companies in the network,
4. Via e-business increase the number of transactions among businesses and individuals, as well as among businesses,
5. Increase the number of visitors who come to the website via search engines,
6. Maintain the website dynamic and transparent,
7. Build a good network of business contacts,
8. Expand advertising to all major portals and build on it,
9. Preserve the high quality of services,
10. Increase the number of marketing campaigns,
11. Form adequate sale prices
12. Continuous monitoring and quality control of the whole operation.

All companies work to maximize their profits, so it is not only good but necessary to make more and better connection. The network of our partners consists of companies on the Croatian coast. They are located on the islands of Krk, Rab, Brač, Hvar, Korčula and in the cities of Split, Makarska, Premantura and Umag. All companies operate in the partner network which means that they are selling their apartments also via the network. The system is designed in a way that all apartments can be offered also to all other network partners. Most of them sell their capacities online. The synchronization and mutual exchange has created a very large amount of products of each individual company. Peer relationships are arranged in a uniform manner. This means that all partners in network have to obey the same rules and are selling capacities for the same prices.

The company offers its apartments also on other portals and websites such as Bolha.com, Sloveniaholidays.com. In this case the company is responsible for presenting and selling. The apartments are also sold on numerous travel agency websites, such as Odisej, travel agency Sajko, etc. where the agencies are responsible for presentation and sales. Communication is primarily via e-mail and telephone.

Virtual business and networking are today's fact. With minimal investment we can increase sales and thus profits. We can safely say that according to premise of the interview most of the selected companies will be interested to enter a network of companies. We can also say with a high probability that the majority of interviewed travel agencies will be interested in the participation and presentation of the offer on the website.

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