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## **Realising the Potential of the Internet in Business**

*Internet is probably now the most important technology. It is constantly growing and bringing new possibilities for its use. Every day, new users and services are added. Companies are therefore looking into the possibilities of how to use the Internet for their business activities. In the beginning, it was used to streamline communication. But now, with the emerging of websites it has come a time to consider its use also for other business activities.*

*Own company website is not uncommon today and it is almost a necessity if a business wants to succeed in the fierce competitive environment. With well-designed page that includes the psychological elements, enterprise can use the Internet network as its advantage. Every company, regardless of its size, should have its own website through which it is able to communicate with its customers, both current and potential, but also with suppliers, subscribers and other partners. A professional and dynamic website can also be a powerful benefit for a small business that can bring new and exciting business opportunities.*

### **Introduction**

Internet is now an integral part of all business activities. It is important medium not only in marketing communication but it is a marketing tool as well. The number of Internet users exceeded 2.2 billion in 2011 and it is still growing. The amount of financial flowing into online tools has also significantly increased. For most companies the use of Internet is still an untapped potential and therefore a great opportunity.

Websites belong among the basic communication tools of the Internet. Many companies mistakenly think that having only a webpage is sufficient. Personal website is only a starting point for all web communication strategies. A range of tools is constantly increasing and constantly creating new and new platforms. The Internet marketing tools as e-shop, e-mail, blog, forum, social network, affiliate programs, viral marketing, banner advertising, advertising in online catalogues and full-text search engines can be integrated and can lead sophisticated audience to the company's website.

### **Aim and methodology**

The aim of this paper is to highlight the necessity of using Internet in daily activities in business. Today's consumer is comfortable and is increasingly using the Internet. Therefore, if a company wants to succeed in a strong competitive environment, it is imperative to communicate with customers via the Internet. The basic and most widely used method of communication can still be a website.

In paper were used results from own marketing research conducted on a sample of 415 respondents, as well as secondary data from Statistical Office of the Slovak Republic aimed at using information and communication technologies in selected companies in Slovakia. From a methodological point of view in this paper were used chi-square test and one factor Anova.

## Results and discussion

The success of online communication and Internet use in business is primarily determined by the penetration of the Internet in that country. Today's Internet penetration rate in Slovakia is at around 35% of users, so it means that at least once a month 35% users work with the Internet. 11.5% of Slovakia's population older than 15 years works with the Internet daily. It should also be noted that 70% of the population aged 18-39 years uses the Internet. The most common point of access to the internet for the Slovaks is from work (48.3%), followed by other places like home, school and Internet cafes. [3]

Internet is currently used by 35.3% of the population for a purchase of goods or services. Clearly dominating is the purchase of sports equipment and clothing (51.2%), household goods (33.3%), books and magazines (25.0%), tickets to events (26.1%) and telecommunications (19.6%). [8]

If we look at the percentage increase in purchases over the Internet for private use in only the last five years (as presented in the figure) we can see that there have been doubled. For many companies it is clear that trade through the Internet is moving from the luxury to the necessity. It gradually ceases to be a competitive advantage and becomes a normal part of corporate strategy.

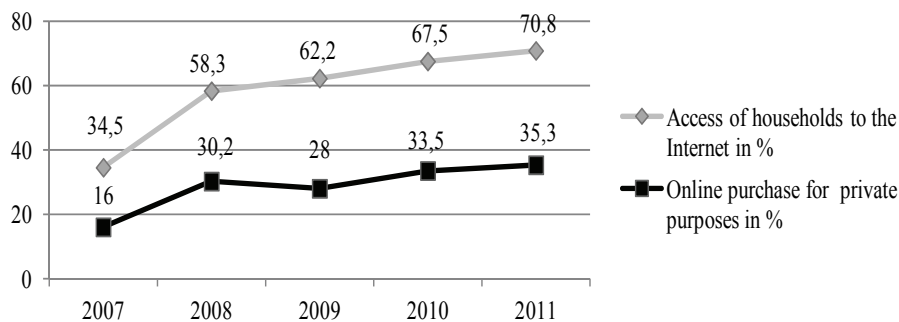


Figure 1: Internet penetration and e-business in Slovakia  
Source: Statistical Office of the Slovak Republic

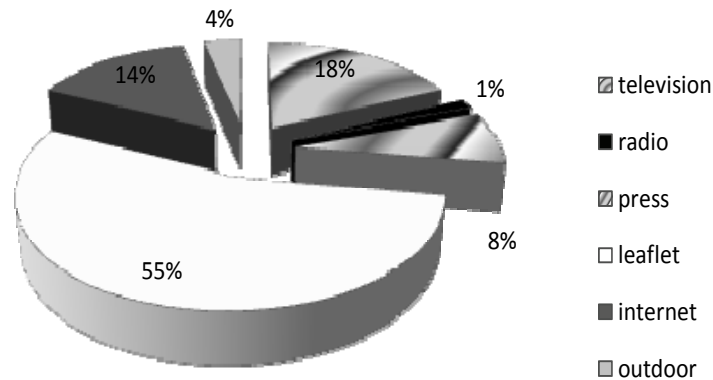


Figure 2: Influence of media on customer decision making  
Source: Own marketing research

Slovak consumer not only purchases over the Internet but also draws from the Internet a lot of information on which he later makes decisions such as whether to buy through e-shops or in stone stores. The results of our own marketing research, conducted on a sample of 415 respondents, show that on the decision of consumers to purchase products generally has the greatest impact leaflets (55%), television (18%) and ranked third is the internet (14%), but its importance increases every year. Chi-square test demonstrated that there are not statistically significant differences between the choice of media and gender, age, education or income of the respondent.

Despite the fact that the Internet was the third in order in the advertising medium which the respondents chooses, the importance of the media can be seen in a broader context. The Internet environment is much better and faster than conventional sales and communication channels to know the customer and respond to their needs. That is why the Internet website is necessity for a current business. We can say that it is an ideal platform for communication not only between the company and customers but also potential customers, partners, respectively wide public. In many situations, it may also provide direct experience with the product or service. That is why the Internet environment is also attractive and interesting for marketing managers, who can discover new possibilities and opportunities to improve marketing programs.

It should be noted that the target group on the Internet varies greatly from the general population. Internet users are more focused on the acquisition and use of information, are better educated and more likely to communicate with whoever offers products or services on the Internet. If we succeed to engage the potential customer, it is important that he returns to the corporate site. This step in the communication process is essential to establish a mutual relationship. The more time invested and the expectations of users to interact with other entities, it is less likely to seek opportunities elsewhere regarding virtual relationships. Identify preferences means to reveal, according to which the potential customer decides what favors and what arguments are effective to create a potential loyalty.

In any case, it is important that website as an Internet card of each company generates the best first impression. It should be functional, simple, transparent, representative image processed, stylistically and grammatically correct and should provide information on high quality level. Creating an interesting and engaging website is not enough. The website must be in line with other instruments of corporate communications and marketing and thus contribute to the identity of the company.

A particular importance for repeated visit of the user to the corporate website has a main page, home page. It is usually the most significant and most attractive part of the web presentation and through the company clearly presents its corporate identity. The overall composition of the site is usually solved by a combination of static presentation (text, images, graphics, hyperlinks), multimedia elements (short videos, sound samples, television commercials), and various active elements (animated images, forms). [2]

Websites of many companies today are unfortunately still rather static and lacking interactivity in the form of links to the telephone hotline, informational e-mails and questionnaire forms. All these attributes offer users some added value and give them clear idea that the company is also seeking the views of its customers.

Another important attribute, if the company wants to get customers is that it must create an environment of trust for them. The experience of companies worldwide forms various recommendations to achieve this confidence [1]:

- telephone contact - phone number and especially ground line means the assurance that the company exists and is not a scam,
- choosing the right URL – for the visitor it is important to choose a simple and easy URL to remember,
- detailed description of the business and activities – it is necessary to clearly explain what the company does. Customers are interested e.g in a variety of awards and certificates of quality products,
- messages - regular publication of reports about the company, products, activities, events. Regular reports indicate that the company exists, and has an active effort to inform its customers,
- security of purchase - if personal data is asked from the customers, it is necessary to ensure safety of customer data,
- privacy of data - the site must in a clear and understandable way write that the data about customers is protected.

Several companies now offer to design or redesign websites in accordance with customer requirements and also offer a complete service to ensure the content updates and the creation of banners. Part of the creation of web sites is currently the SEO optimization. The optimization is the use of different techniques that allow to move sites in search engines to leading positions and thereby increase their visit rate. For the companies are beneficial only the visits of their target customers. SEO is therefore most effective method for the company how to make its page on the Internet to be seen by the end customers. Another option is to pay banner advertising, but in the long run it will be

much more expensive than optimization. SEO or Search Engine Optimization is inexpensive and highly effective, although the results usually do not show immediately in the first month but later. However, it is convenient to build a website from the beginning with SEO principles, respecting the basic principles of web browsers. This service is provided by a number of companies that for the company choose the most appropriate keywords, create functional links to sites to being easily accessible to search engines.

In the next section we are going to focus on mapping the actual use of the Internet in Slovak companies. For realising analysis we used results of the survey, resulting from a separate survey, focusing on information and communication technologies, which conducted the Statistical Office of the Slovak Republic. The survey in enterprises was organized exhaustively in large enterprises and the sample was created in case of small enterprises. The whole sample consisted of 15958 enterprises (80.2% companies with 10-49 employees, 16.1% companies with 50-249 employees and 3.7% companies with more than 250 employees).

75.7% of surveyed companies said that they have their own website. For large enterprises (over 250 employees), the proportion is even higher - 82.6%. In terms of economic activities is the best situation in the 'Information and communication' (91.5%) and 'Accommodation' (87.9%). [9]

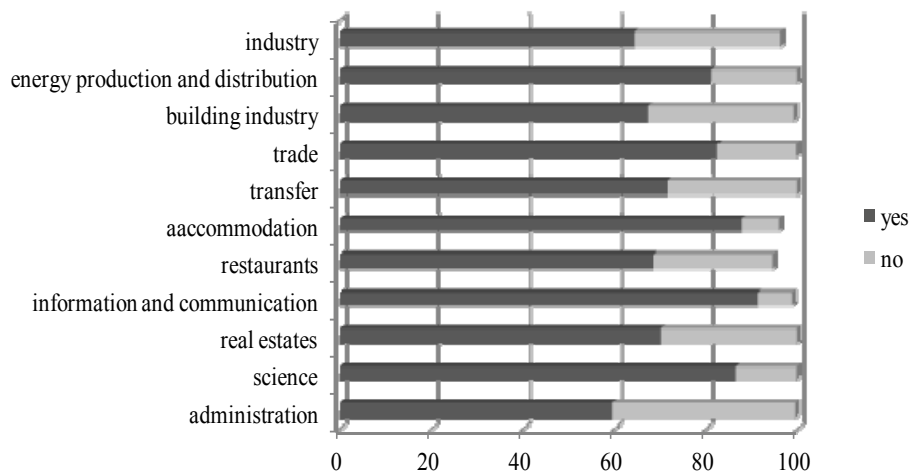


Figure 3: Existence of ot the website in Slovak enterprises  
(% of all with access to the Internet)

Source: Statistical Office of the Slovak Republic

The analyzed companies use websites primarily to list the product catalogues with price list (62.6%), for sending payment instructions to financial institutions (39.0%), for receiving of electronic invoices (31.1%), for online ordering (25.1%) or to acquire new staff (25.4%). Using the one factor Anova shows significant differences in the use of the Internet for various activities and enterprise size.

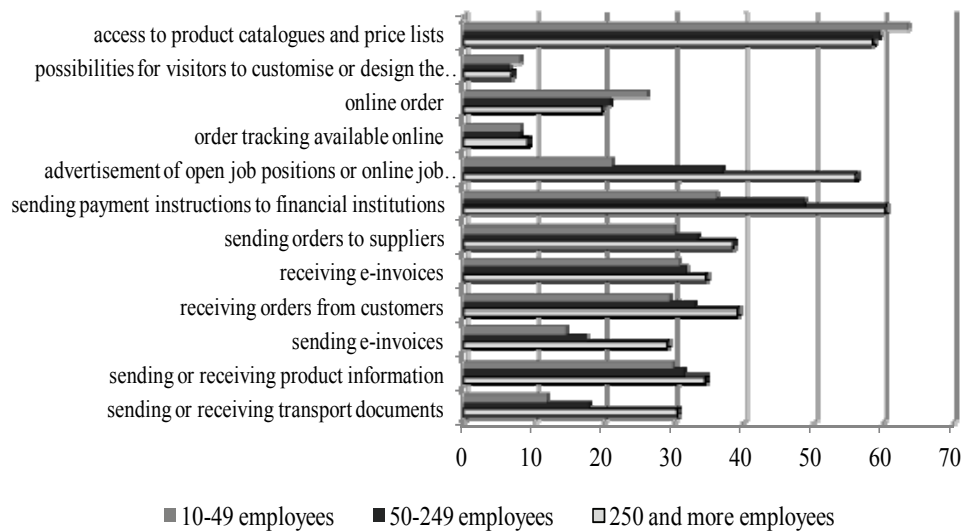


Figure 4: Facilities of the website of your enterprises (% of all having web site)  
Source: Statistical Office of the Slovak Republic

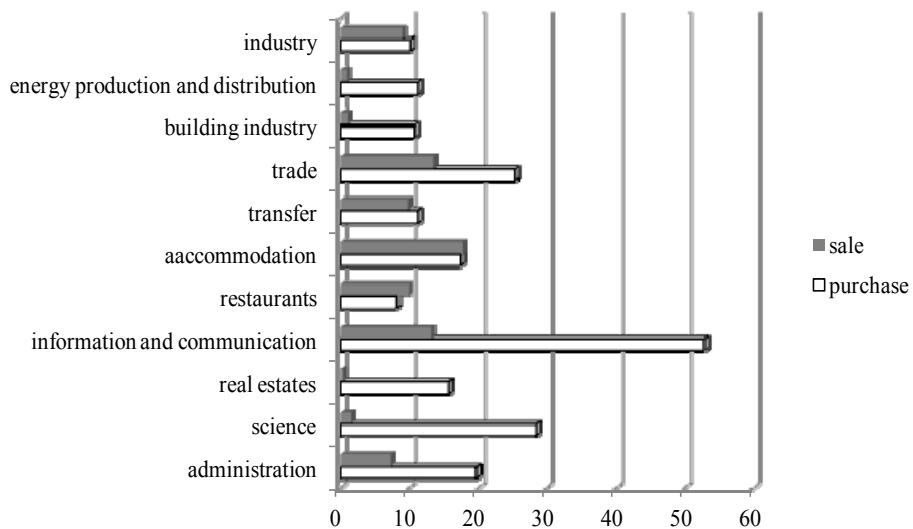


Figure 5: Did your enterprise receive or send orders for products or services via computer networks? (% of all )  
Source: Statistical Office of the Slovak Republic

Regarding the use of electronic commerce, on average only 7.9% of interviewed enterprises sold through its computer network products and services in 2010. By purchasing the situation was better. Of all respondents, 19.8% companies purchased products and services via computer networks. The best situation was in the sector of information and communication (52.9%), professional, scientific and technical activities (28.5%) and trade (25.5%).

For the company is not important, that it only has a website, but that this website can also be used to obtain the necessary information to streamline individual business operations. Each website can be analyzed with relatively high precision and speed. To the assessment of the effectiveness of web pages are mainly used information about visit rate, although the success of a given site is not just visit rate, but also the number of visits which resulted in purchasing in the e-shop, registration to receive newsletters etc. In terms of decision-making of marketing managers the following information may be helpful [4,5,6]:

- the number of visits per day, month or year,
- where does the visitor come to the web site from,
- the total number of unique visits to the site,
- comparing current statistics with those in the past,
- average length of visit,
- what keyword in the search engine was crucial,
- what was the most interesting for visitors.

All these statistics about the behavior of customers are available immediately and can be used for the accurate targeting of marketing activities and are also the guiding factors in choosing an appropriate marketing strategy in promoting a company. One of very suitable tool for evaluation of behavior in terms of website statistics is Google Analytics. A number of competing programs is available on the market, which provide more detailed information but the main advantage of Google Analytics is that it is free and usually provides all the necessary information for the right marketing decisions. Other tools for analysis are e.g. Omniture, Weblog Expert, Webalizer, WebTrends Analytics, Site Meter and Coremetrics.

## **Conclusion**

Utilization of Internet potential in favor of the company is huge. Therefore not using of internet in marketing activities is a big mistake. Of course, not every product is appropriate to promote and sell per the Internet, but in many cases it is much more effective way of getting to the customer. Now it is not possible to talk about some ideal distribution channel, each has its advantages as well as disadvantages. Some companies sell only through the Internet and others use Internet just as an addition to sales to other distribution channels.

The main advantage of Internet marketing is that customers usually come to the Internet already with the fact that they know what product they want to buy and are just

looking for a specific company from which to buy. This implies that compared to other instruments it is less aggressive and does not push the customers who often have no interest in the product. The only task for the company is to ensure that the website appears to its target customers on the top positions in search results. Getting to the top position now is not so easy because of the enormous increase of websites on the Internet. This is why SEO has become necessary. Its aim is not to find just the keywords, but finding the right keywords that bring visitors to the site and more importantly, to make them customers.

We concluded from own questionnaire survey and available statistics that the use of the Internet in any business is now a necessity. Internet penetration increases every year in Slovakia, as well as the proportion of people who buy through the Internet. This is why quality and SEO friendly website has become a necessity now for a successful business on a global scale as well as in Slovakia.

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## **Summary**

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