An Innovation of Marketing Communication Strategy of an Online Jewelry Store

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Zpracujte literární rešerši k on-line marketingové komunikaci.
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Analyzujte stávající marketingovou komunikační strategii internetového klenotníctví.
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ABSTRAKT
Tato bakalářská práce se zabývá analýzou marketingové komunikační strategie Internetového klenotnictví. V teoretické části jsou zmapovány online marketingové techniky, které mohou být součástí Internetové marketingové komunikační strategie.

Cílem praktické části je analyzovat silné a slabé stránky společnosti a to pomocí analýzy konkurence, analýzy přístupnosti a použitelnosti webových stránek, PPC reklam, optimalizace pro internetové vyhledávače a komunikace na sociálních sítích. Výstupem práce je navržení inovace marketingové strategie založené na základě vyhodnocení provedených analýz.

Klíčová slova: Internetový marketing, marketingová komunikační strategie, internetové stránky, PPC reklama, optimalizace pro internetové vyhledávače, sociální síť, Google Analytics, Facebook Insight.

ABSTRACT
This bachelor thesis deals with the analysis of marketing communication strategy of an online jewelry store. Described in the theoretical part are online marketing techniques, which may be part of the overall Internet marketing communication strategy.

The aim of the practical part is to analyze strengths and weaknesses of the company through analysis of competitors, accessibility and usability of the website, pay-per-click advertising, search engine optimization and communication on social media. An output of this bachelor thesis is a proposal for an innovation of marketing strategy, based on the evaluation of the performed analysis.

Keywords: Internet marketing, marketing communication strategy, website, PPC advertising, search engine optimization, social media, Google Analytics, Facebook Insight.
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INTRODUCTION

Since 1990’s the field of media has dramatically developed. This progression was caused by an emergence of the Internet and its development. From the originally planned project for an exchange of information among academics, the Internet became a field which completely changed the function of media and created an enormous opportunity for a business development.

The Internet development brought advertisers a range of new opportunities while marketing specialists must continuously monitor the development and search for the most effective forms of advertising. This fast changing tendency indicates that innovations in the field of Internet communication will occur more often and more widely. A company who wants to stay prosperous must adapt the current trends and even move them forward.

For my bachelor thesis I chose a topic of Internet advertising and marketing because these factors influence mass amounts of people, operate globally, and bring numbers of opportunities. The Internet is a powerful tool for searching for information of any kind including information about products and services. From a business point of view, it opens a new opportunity to make a sale. One of the techniques which may help to make a customer from an Internet user is Internet marketing.

This bachelor thesis describes the Internet marketing analysis of an online jewelry store. Described in the theoretical part are various forms of the Internet marketing communication which apply many places, specifically to online businesses. Through analysis of internal data, tracked by tools such as Google Analytics and Facebook Insight, will be the current marketing strategy of the online store analyzed. The main objective of the bachelor thesis is to identify strengths and weaknesses of the current marketing strategy and suggest a recommendation for further improvements.
I. THEORY
1 INTERNET MARKETING COMMUNICATION

1.1 Influence of the Internet on Communication
In 1993 the Internet was widespread among ordinary computer users and in that time only fifty websites existed in the Internet network. In 2001 there was already fifty million websites in the network (Leboff 2011, 19). The changes caused by the invention of the Internet have progressed so fast that it was difficult to understand their consequences. Numbers of prosperous companies were not able to respond quickly enough to the changing environment and new companies occupied their places on the market.

Internet is revolutionary change in the field of communication since the invention of the print press. Internet is not only a new communication tool; it also brought a big change of involvement in the communication. The Internet is first medium which enables mutual communication among many various entities, sometimes called “many-to-many” communication (Leboff 2011, 20-28). People are not only passive recipients but they can share own opinions and attitudes. Many people use their own distribution networks, for example Facebook social network, the professional network LinkedIn, blogs, newsletters etc. The Internet has nearly no boundaries from the perspective of territory. Internet users can easily spread or search the information worldwide.

1.2 History of Internet Marketing
Since 1994 advertising on the Internet already has existed. At that time marketers began to understand enormous potential of the Internet (Janouch 2010, 15). However, marketers encountered the barriers, such as technical limitation and limited Internet access. With the elimination of barriers and with the growth of Internet users increased the tendency focus more on Internet marketing. Companies began to use websites for self presentation and for presentation of their products and later for direct sales.

1.3 What is Internet Marketing
Internet marketing can be defined as a part of marketing in general. Marketing is not only advertising, it is a process of identifying customer needs and requirements in purpose to provide them such a product which represents added value for customers and profit for the company. In the Internet environment it means utilization of the Internet as a tool for identifying values for customers while acquiring customers as a value for the company.
For some companies Internet marketing might be more important than traditional marketing, for example online stores or companies which provide products for online environment, such as software etc. On the other hand, we can also meet with companies based on Internet marketing, which newly opening the mortar stores and advertise in the magazines, attend trade fairs and began to use traditional marketing as a part of their marketing strategy (Janouch 2010, 16-17). The Internet is different from other marketing channels as is described in the table below

Table 1. Comparison of Internet with traditional media

<table>
<thead>
<tr>
<th>Factor</th>
<th>Television</th>
<th>Radio</th>
<th>Print</th>
<th>Internet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application of media</td>
<td>predominantly regional</td>
<td>predominantly regional</td>
<td>predominantly regional</td>
<td>global</td>
</tr>
<tr>
<td>Direction of the communication</td>
<td>one-way (one-to-many)</td>
<td>one-way (one-to-many)</td>
<td>one-way (one-to-many)</td>
<td>two-way (one-to-one, many-to-many)</td>
</tr>
<tr>
<td>Transmission</td>
<td>sound, image</td>
<td>sound</td>
<td>image, text</td>
<td>sound, video, text, image</td>
</tr>
<tr>
<td>Possibility of individualized content</td>
<td>no</td>
<td>no</td>
<td>no</td>
<td>yes</td>
</tr>
<tr>
<td>Price of advertising</td>
<td>high</td>
<td>medium</td>
<td>medium</td>
<td>low</td>
</tr>
<tr>
<td>Effect of a message/advertisement</td>
<td>short term</td>
<td>short term</td>
<td>long term</td>
<td>long term</td>
</tr>
<tr>
<td>Repeated views</td>
<td>no</td>
<td>no</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Response speed to advertising message</td>
<td>delayed</td>
<td>delayed</td>
<td>delayed</td>
<td>immediate</td>
</tr>
<tr>
<td>Ability to measure an effectiveness of an advertising message</td>
<td>medium</td>
<td>low</td>
<td>low</td>
<td>very high</td>
</tr>
</tbody>
</table>

Source: Data from Blažková 2005, 14.

The table demonstrates that the Internet is a very flexible medium. The Internet offers additional space for addressing customers. The communication on the Internet is usually based on the two-way principle where both, customers and company, communicate each other. The most frequently is used “one-to-one” communication which is the communication between a company and a customer. The advantage of this principle is the
possibility of individualized content which can be adapted in accordance with customer needs. The other option of the Internet communication is “many-to-many” communication. This type of communication represents the communication among more companies and more customers. This communication is used in discussion forums and online conferences. For the other analyzed media, the communication operates on the “one-to-many” principle which uses the same communicated content for addressing customers. The disadvantage of this communication is that the content might not correspond with individual customer needs (Blažková 2005, 14-16). Another advantage of the Internet as a part of marketing mix is the possibility of monitoring. Thanks to the monitoring tools we can easily find out if the Internet advertising campaign led to website traffic and product sale increase. A monitoring of customers behavior and preferences is also possible. The data gathered from the monitoring can be used to adapt the content of the website and for an innovation of marketing strategy.

1.4 Internet Marketing Implementation

The significant difference among internet and traditional media is that the Internet as a communication medium interact sellers and also customers. The segmentation on the Internet is one of the biggest advantages. While is an Internet user searching a certain product or information, he is becoming a potential customer too. The segmentation can be adapted according to many factors, for example depending on the age, gender, interests, then it is easier to identify customer needs and satisfy them (Přikrylová 2010, 218); (Rayan 2012, 25). These factors make the Internet a very powerful tool. Customers have the sale process under their control. They can search for the substitute products and services, read some reviews and compare product features and prices before completing a purchase. When we consider that a daily usage of the Internet is constantly increasing, it is in the interest of a company to be present on the Internet and bring customers an added value. While using the Internet as a one of the marketing mix channel, company can utilize many advantages which the Internet environment brings.

In the following table are illustrated advantages of online shopping for online retailers and also for customers.
Table 2. Advantages of online shopping for a customer and for a company

<table>
<thead>
<tr>
<th>Advantages for customer</th>
<th>Advantages for company</th>
</tr>
</thead>
<tbody>
<tr>
<td>accessibility 24/7</td>
<td>reduction of fees connected with the operation of a mortar store</td>
</tr>
<tr>
<td>email communication</td>
<td>email communication</td>
</tr>
<tr>
<td>easy access to the product description</td>
<td>involving costumers into a product creation</td>
</tr>
<tr>
<td>no exceeding the comfort zone</td>
<td>brand awareness</td>
</tr>
<tr>
<td>attractive website content</td>
<td>segmentation</td>
</tr>
<tr>
<td>advices to costumers</td>
<td>monitoring and measuring of a data</td>
</tr>
<tr>
<td>payment transactions online</td>
<td>easy communication of an offer</td>
</tr>
<tr>
<td>no need to travel somewhere</td>
<td>feedback</td>
</tr>
<tr>
<td>anonymity</td>
<td>low cost of advertising</td>
</tr>
<tr>
<td>internet reviews</td>
<td></td>
</tr>
</tbody>
</table>

Source: Data from Přikrylová 2010, 218; Rayan 2012, 25.

The range of the benefits depends on the ability of companies to adapt to the Internet environment. But the fact that not all people are internet users is also important to keep in mind. To attract all customers is better to use also other marketing channels.

1.5 Communication Mix on the Internet

All parts of the communication mix are used by companies for the communication with their target groups, in order to differentiate their products, spread brand awareness, inform and persuade potential customer to purchase. Each part of traditional communication mix (advertising, public relations, sales support, personal sales and direct marketing) is possible to use in the Internet environment too, expect personal sales where is the personal contact not possible because of the Internet usage (Blažková 2005, 82); (Kozák, 2009, 12).

In terms of Internet communication channel we can consider also viral marketing as a part of communication mix. All parts of communication mix on the Internet are illustrated in the following figure.
Figure 1. Parts of Communication Mix on the Internet

*Source:* Data from Blažková 2005, 82.
2 INTERNET MARKETING TECHNIQUES

When a company decides which techniques to use for their marketing campaign, they might face a problem which tools to choose for an effective marketing strategy. As well as in the traditional marketing, in the Internet marketing, there are diverse forms of tools. Methods of Internet marketing are undoubtedly diverse. It is not only about banners anymore, as some companies still think. It is important to choose the right form which will meet requirements of the company. Each tool is suitable for the different purposes and also the audience can vary. Besides promotion itself, we need tools which can collect data, measure and analyze them, in purpose to evaluate if the marketing campaign was cost-effective, brought enough conversions and fulfilled the expectations. Thanks to the data provided by these tools, we can decide about the following steps and change the marketing strategy.

2.1 Advertising on the Internet

The content of the communicated message in advertising on the Internet is one of the differences in comparison with other media. The content can have form of text, picture, moving trailer, video or we can also combine these forms together. All these options is very easy to realize, we can also link this advertisement with a concrete product or service thanks to the hyperlink what is not possible in classic marketing.

In general advertisements on Internet as well as classic advertisements, inform customers about existence of a product, about its quality, its characteristics etc. and trying to persuade potential customer to purchase the particular product. The advertisement can provide different messages for example refer to visit a company website, provide information about competitions, discounts or sales (Blažková 2005, 82).

2.1.1 Pay-per-click advertising (PPC)

Nowadays it is a favorite form of advertising. An advertiser pays only for the visitors who clicked on the advertisement and visited the company website. This type of advertising brings many advantages. It is possible individually set up a limitation, for example daily budget or maximum price per click. PPC advertising also accelerates SEO. It could last months or years to get on the top listing in search engines, but with PPC advertising the company can advertise the key words immediately (Kalina 2014, 72-75); (Sheehan 2010, 38-39). This service is very flexible, marketers can switch off the campaign for a certain
time period and then it might be put into operation again. The most used PPC systems in the Czech Republic are Google Adwords provided by company Google and Sklik run by company Seznam.cz. The system of PPC works in three variants based on the same principle, but difference is when the advertisements are displayed.

- **Contextual Advertising**
  The advertisement is displayed when the context of a website, where the advertisement is placed, and topic of the advertisement matches. It is a perfect tool which helps to engage a great mass of people. An advertiser selects website themes with high probability of a target group attendance. PPC system will find this sort of websites and display the advertiser’s advertisement (Kalina 2014, 73).

- **Advertising in search results**
  It is one of the high quality advertising areas on the Internet because the advertisement is displayed exactly to the users who are searching advertiser’s product or its substitutes. The method of targeting is to set up key words which are high in probability that user is going to search (Kalina 2014, 72).

- **Remarketing campaign in contextual network**
  According to marketing specialist Martin Kalina, up to 98 % website traffic leaves websites without participating in any action which might be registration, purchase etc. (Kalina 2014, 73). Google took an advantage of the website traffic and began to collect data about the website visitors and created a new way of targeting. Google Adwords came up with a system of displaying advertisements to visitors who have ever visited a company website which uses the remarketing service. The remarketing campaigns operate on the system of ID file cookie which is being collected whenever the internet users visit a company website. Whenever the internet user, who already visited the company website, search on Google the advertisement is displayed. The advertiser can also adapt the message based on the section which the internet users already visited on the company website.

2.1.2 **Catalog entry PFI (Paid-For-Inclusion)**
It is probably one of the oldest advertising forms. Catalogue is an Internet service (website) which associates website links related together and selects them purposefully. A company can pay for a priority listing, extra adding a logo or map of the location (Janouch 2010, 156-158).
2.2 Search Engine Optimization (SEO)

Nowadays to operate own website and pay for an advertising on high traffic portals and in catalogues is one possibility how to bring website traffic, but it is not sufficient for becoming a successful online retailer. Search engine optimization is a process how to optimize concrete website for search engines. SEO focuses on full text searching, it means searching of key words. By optimization is meant to create the website structure with as many key words or phrases which will be indexed in search engines. The main goal of SEO is to generate website traffic with a high potential to purchase. Each search engine is run by a various algorithm and they are incessantly changing. For the company SEO represents constant monitoring, analyzing and improving (Kubiček 2008, 12-13); (Janouch 2010, 84); (Ryan 2012, 61).

In the Czech Republic preferred search engines are Google and Seznam. To optimize website for a search engine marketers use the keywords which people are widely searching. On the market are many research tools which provide an insight into a frequently searched keywords and a words clicked in PPC, the most commonly used are Sklik, Google Adwords. After that the selected keyword can be employed into the website content (Stibor 2014, 99).

What has changed through the times is the length of a “Long tail”- more complex phrases which people search on the Internet to get the relevant results. Despite of this “Long tail”, keywords attract less people then the short tail keywords. For a company users searching these words or phrases are more valuable website traffic and are more likely become the customers. A search guru Danny Sullivan claims that “the keywords should always be at least two or more words long” (Ryan 2012, 69). It is because of the data provided in the Internet environment are very diverse and by a taping single-keyword in a searching box the chance that users will find exactly the content what they are searching for is negligible. It is in the company interest to optimize the website for the search engines to increase the probability that potential customer will visit the company website (Ryan 2012, 69).

2.2.1 Linkbuilding

Another important part of the SEO is inbound links which demonstrates the popularity of a websites. The popularity on the Internet is measured according to the quality and number of links. Linkbuilding improves the position in search results and also is used to provide
useful information to people searching for related content (Janouch 2010,125-129); (Stibor 2014, 98-102). The inbound links are placed on the websites with a similar content or somehow related to the product of the company. The similarity of product and theme of websites with inbound links is important from the point of view of relevant website traffic which may become real customers.

2.3 Public Relations on the Internet

The purpose of public relations on the Internet is the same as purpose of public relations offline. It is to create a positive awareness about the company, its activities and products. The company website is not only channel where to build positive brand awareness (Knight 2007, 89). The presence on social media and advertising are also ways how to spread information about the company. Through these activities the company also increases the popularity of its website for the search engines. The company can build public relations through these activities:

- Press releases
- Corporate website
- Virtual newspapers and magazines
- Discussion forums
- Sponsoring
- Virtual press conferences and videoconferencing

Source: Data adapted from Blažková 2005, 90.

2.3.1 Corporate Websites

Website is very important part of communication mix. It is a company presentation also a platform where company can direct potential customers through other marketing activities. At first company has to set up the main purpose of the website and their expectations (Janouc 2010,59).

The main purposes of the website:

- Brand building
- Provide information about products or services
- Sales of advertising areas
- Sales of product and services on the Internet
- Advertising third parties (Affiliate marketing)
• Provide support and services
• Obtaining information from customers (requirements, needs, preferences, experience)

Source: Data adapted from Janouch 2010,62.

The website must be user’s friendly, it means that it must be simple and easy to understand. The company also needs to take into consideration the intended reader and set up a proper style of communication and information required by the target visitors. There exist some basic principles of functional website, but it is also important to follow the trends of websites and keep the website attractive and functional. To differentiate from the competitors and to achieve high website traffic, it is necessary to offer customers added value. Added value might be anything what makes the products or services unique. This uniqueness can be also presented on website in order to differentiate from competitors. It is the same as it works in marketing in general. To make customers purchase, company needs fulfill customer wants and needs. To attract potential customers, the website has to provide interesting content for a reader. The content should be updated, easy searchable, interactive and related to the users interest (Janouch 2010, 63).

2.3.2 Copywriting

It is an activity which works with words in purpose to introduce an offer of a product or service to customers in a way to attract them, induce positive impression or make them perform some action. A desired action can be visitation a website, registration for a newsletter subscription, click on a banner or advertisement, introduce a product, buy a product etc. The articles can be posted on the company website or also on the third party websites. By posting the articles, the company can get customers and at the same time increase the popularity of their website through back links (Janouch 2010, 265-265). Articles published on the own website increase attractiveness of the website but important is the content which must be interesting for a reader. The topics of articles might be based on information what customers are frequently searching which is related to the theme of the company website and the product range. The articles can be focused on advice, instructional manuals, surveys, current trends, new technologies etc.
2.3.3 Reviews, Peer references

Trust in the information provided by other people is very significant. That is why the companies have to take into consideration the opinions of other people and work with the reviews from the previous customers. On the market are also specialized magazines which publish reviews about products or services. These magazines have a powerful influence on the customers too (Hlavenka 2001, 146-147). Reviews are also accessible online in form of posts in discussions or online forums. The reviews and recommendation are also available online, for example on comparative portals such as Heureka.cz, Srovnanicen.cz

2.4 Social Media

Social media are virtual connections groups of people. Social networks enable to share experience within friends or within the social networks users in general. Marketing on social media requires longer and thorough preparation than other forms of Internet marketing. The communication on social media has own rules. In purpose to achieve the social media marketing goals, it is important to consider right timing, right style communication, right form of post etc. Significant advantage of social media is its perfect targeting for relatively low expenses with possibility of immediate evaluation. On the Internet exists many thematic social networks with a various purposes. The most used social media in the Czech Republic are: Facebook, Twitter and LinkedIn.

Figure 2: The number of social network users in the Czech Republic in 2014

<table>
<thead>
<tr>
<th>Social Media</th>
<th>Number of Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>3 800 000</td>
</tr>
<tr>
<td>Twitter</td>
<td>290 000</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>242 000</td>
</tr>
</tbody>
</table>

Source: Data adapted from Maco 2014, 82.
On social networks people spend the most of the time spent online (Maco 2014, 82). For Internet users are social networks place, where they search for entertainment, information, recommendations and share experience and opinions with others.

2.4.1 Facebook

The most popular social network in the Czech Republic is Facebook. The significant part of global population owns Facebook profile, current estimate is 3.8 billion users. The number of user is constantly increasing. The marketing specialist on social media, Eliska Maca stated, that 59% of Facebook users visit Facebook daily, 80% users weekly. An average user of any age spends on Facebook 90 minutes a week. Average young people until age 30 spend on Facebook up to 2 hours a day. An average Facebook user who owns smart phone, visit Facebook up to 10x times a day (Maco 2014, 82).

According to this mass of people it is visible why is worthy to include social networks (especially Facebook) in marketing mix. On the other hand, the company has to consider if the Facebook users are their target group and if the Facebook correspond with their marketing objectives.

The research done by a team of social media marketing experts and Edison Research shows that more and more people are following companies or brands on social media. The data collected from three years 2010, 2011, 2012 shows that number of followers doubled from 2010 to 2012. In 2010 there was 16% of Facebook users which follow any company or brand on social media, in 2012 the number increased on 33% (Brown 2014). A company should take advantage of the fact that Facebook users are willing to follow corporate fan pages. It is only about targeting right audience and providing them right content. Facebook might be another channel where company can influence potential customers and transform them into real customers.

Before starting a corporate fan page the company should take in consideration why people follow corporate pages on social media. One of the most frequent reasons is that people expecting to receive some special offers, such as discounts or coupons. Secondly Facebook followers might not be truly interested in the brand or company; they only want to show people in their friend list that they like the company. Another reason is that people want to educate and entertain. From this point of view company should provide creative, unique, inspiring content. Some Facebook followers are current customers or planning to purchase a product from the company, therefore they expect to get a support through social
media. Some people are simply interested how the company is doing and what are the latest updates or new launched products (Winn 2013); (Cashman 2013).

Every single person might have a different reason why he or she follows companies or brands on social networks. It might be mixture of all listed reason or maybe some reason even not mentioned but the described reasons are the most frequent ones according research which I have done on the Internet.

2.4.1.1 Customer relationship management (CRM)

Nowadays if a company wants to efficiently communicate with the customers, reveal the customer needs and adapt the offer individually, it is important to analyze a data collected while communicating with customers. This whole process of a customer care is called customer relationship management. A company can store this data in a database and analyze them for a future modernization of a customer behavior or for other data processing (Janouch 2010, 19).

2.5 Sales Support on the Internet

Sales Support is not connected only with online stores, what could be assumed at first, but it is connected with any website offering product or services. Companies also use online sales in purpose to support sales at their mortar stores. Unlike from traditional forms of sales support, the Internet sales support is comparatively cheaper and also the surveys, competitions and other incentives of sales can be run anytime. Very important is to consider if the particular form of sales support is suitable for the concrete business and if it fits to the overall marketing communication mix. Usually the main goal of the sales support is an increase in sales. These techniques can be used in different purposes, for example, to support sales off the season, to beat the competition in the high season or to sell out the inventory. But we need to be careful when using sales support while introducing new products. When the company is trying to get on already occupied market, sales support is welcome. On the other hand, while introducing new technology products with a high added value is inappropriate to use, for example discount. It could cause the degradation from a customer’s point of view (Janouch 2010, 193-194).

- Competitions

Competitions are attractive for customers especially when they can win some valuable price. The organizer of the competition can determine the conditions to be
advantageous also for the company. The condition for inclusion in the competition might be purchase of a certain product, particular amount of products or recommendation to a friend etc. The company can take an advantage from the competition if they perform market research as a part of the competition. The data collected from the research might be useful for further strategy planning. Another aim of the company might be to obtain email contacts which can be used for email marketing (Severa 2013, 21-22). The question is if the emails are relevant. The participants of the competitions might not be real potential customers; they might be only people who seek to win any competition which is in progress. From this point of view is important to decide where the competition will be advertised and what will be the rules for winning. Companies should be careful especially when organizing competitions on social networks where people can own hundreds of fake profiles.

- **Coupons**
  Coupons can have form of discount voucher, gift voucher and many others. Many companies also enable sales of the gift coupons. Some companies add the coupons to the orders which exceed specified value or the amount of products ordered. Coupons can have paper form or can be sent by email or as a text message (Janouch 2010, 195).

- **Discounts**
  Discount is a short term stimulus to purchase. The problem arises when the discounts are overused (used for everything and all the time) then this incentive looses the desired effect. On the market we can find quantity discounts which apply when customer purchases a particular amount or volume of products. Other forms of discounts are after reaching a certain order value, time-limited discounts or discounts until sold out (Janouch 2010, 196-197). In the Internet environment the discounts are most often communicated by email. Furthermore, the social media are also suitable for spreading information about discounts.

- **Loyalty Programs**
  The previously mentioned forms of sales support are rather short-term unlike the loyalty programs, which is long-term sales support. The main goal of loyalty programs is to motivate customer to repeat a purchase. The returning customers have much higher value, for the company, then the customer who purchased only
once. It is not connected only with the profitability of the company; but also with acquisition of valuable information for improvements (Janouch 2010, 201-204). The loyalty programs can be built on many basis, for example, collecting points which can be used during next purchase, discount for the next purchase, club membership where customer can purchase for a special price, a gift with next order and many others.

2.5.1 eBook

EBook is an electronic form of a book which might be used as a part of marketing strategy. The internet users in general want to obtain information fast, concisely and accurately in order to help them solve their problem or answer their unanswered questions. In this purpose, an eBook could be used to provide customers answers for their question and for the company it could be beneficial too. An eBook can help entrepreneurs to obtain email contact of their website visitor. When company offer a valuable content in exchange for an email of potential customers it seems be advantageous for both sides (Mrázková 2014, 130-139). Company obtains a contact from a potential customer which later can be used for an emailing campaign. Content of the eBook must be valuable for their potential customers. Topic of the eBook should be somehow related to the product range. It is also a great tool how to build a trust in relationship between company and customer. Another advantage of providing an eBook it might be evidence for potential customers, that the company is real expert in a particular field and that they are able to give a valuable advice or tips and answer customers questions.

2.6 Affiliate Marketing and Strategic Partnership

Affiliate program is a sale on a commission basis which is performance oriented. From the business point of view it is a product sale through third party websites. The partners refer customers on a company website where customers make an order and then the partners will receive a commission. There are more possibilities how customers can be directed on the company website. It can be through partners’ websites, statuses on social networks or through search engines. The desired action does not have to be only an order in an online store but it might be completing a form, leaving an email address or just displaying of an advertisement (banner). The commission for these actions can take a various form. It might be a fixed amount or percentage of the purchase. Very important is to place the banner on
the partner’s website which focuses on the related topic to the field of business of the company. The content of the banner has to be attractive and related to the theme of the website. Sometimes Affiliate programs partly replace SEO or other Internet marketing techniques. When the company is not capable to reach the top position in search engines, solution is to establish a partnership with bigger portals and place own offer on their website. Thanks to this promotion the company can ensure sufficient website traffic (Janouch 2010, 193-194).

2.7 Direct Marketing on the Internet

Direct marketing cover activities where the communication between two subjects takes place in order to provide information about products and services. The addressed potential customer has opportunity directly reply or interact with the person who contacted him. Website is considered as a part of direct marketing because the products range is often communicated there. Some websites offer continuous support for their customers (Blažková 2005, 92-93). Based on the information stated on the company website, customers can call the company and ask for further information. It is recommended to communicate with customers continuously. That is why the companies consider the creation and maintenance of customer’s database as an important aspect. The customer’s database is used in order to communicate an offer, payment instructions and to build a long-term relationship with the customers.

2.7.1 Email marketing

Email marketing is important part of internet marketing strategy. Through email marketing is possible to sell and also to build a long-term relationship with customers. Emailing is used in purpose to deliver messages to customers fast and cheap and also it can lead to website traffic increase. Email is also very effective channel for presale, sales and after sale communication. From the point of brand awareness is regular e-mailing very important. (Kirš 2014, 58)

The aim of emailing is to strive for high readership and final aim is to make a customer do the action what we intended him to do (purchase, complete the form, read the article etc.). E-mail also enables get suggestions, comments, customer’s reviews etc. (Kirš 2014, 59-61). In this case the company should focus on the long-term exchange of
information in more emails. This type of communication is more personal than other marketing activities but not as personal as phone conversation.

2.7.2 Virus Marketing

Viral marketing is marketing technique whose goal is to assure spreading information about company or brand, company products among people. The information can be spread orally or electronically but sharing electronically is much faster that is why this form of marketing is characteristic for Internet marketing. Viral marketing can have a form of text, picture, presentation, and especially form of video. The communication is disseminated by email and through social networks, discussion forums and blogs (Janouch 2010, 272).
3  INTERNET MARKETING STRATEGY PLANNING

Internet marketing strategy is based on the concept of utilization of Internet within overall marketing in the company. It is essential to set up corporate goals and marketing goals which company wants to achieve through Internet and also the methods used to achieve and measure the success. Marketing strategy includes decisions about market segmentation, identification of a target market, positioning of marketing mix techniques and allocation of expenses. The strategy should follow a central vision of the company. Whole process has to be complex. All activities have to follow the marketing strategy. For an effective marketing strategy planning, the company has to analyze customer needs and behavior, the competitors’ strategies and other factors such as structure of the market, demand, current opportunities and threats (Blažková 2005, 117-119); (Jakubiková 2008, 33). It is necessary to follow the trends to maintain the market position. There exist some basic principles which can be adapted to companies’ needs and requirements. These principles are described in the following table.

Table 3. Formulation of general Internet marketing strategy

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Creation of a strategic team for the Internet strategy</td>
</tr>
<tr>
<td>2.</td>
<td>Analysis of potential Internet users’ needs and requirements</td>
</tr>
<tr>
<td>3.</td>
<td>Analysis of competitors’ Internet strategies</td>
</tr>
<tr>
<td>4.</td>
<td>Real definition of goals which company want to achieve through the Internet marketing</td>
</tr>
<tr>
<td>5.</td>
<td>Estimation of success for every goal (when using traditional marketing techniques)</td>
</tr>
<tr>
<td>6.</td>
<td>Estimation of success for every goal (when using internet marketing techniques)</td>
</tr>
<tr>
<td>7.</td>
<td>Identification of business fields where the Internet will be used</td>
</tr>
<tr>
<td>8.</td>
<td>Selection of the most suitable business model on the Internet</td>
</tr>
<tr>
<td>9.</td>
<td>Decision about the level of investment into the Internet activities</td>
</tr>
<tr>
<td>10.</td>
<td>Define criteria of success and its measurement</td>
</tr>
<tr>
<td>11.</td>
<td>Formulation of various options of the Internet strategy</td>
</tr>
<tr>
<td>12.</td>
<td>Evaluation of options and selection of optimal strategy</td>
</tr>
</tbody>
</table>

Source: Data from Blažková 2005, 118.
3.1 Segmentation

The Internet usage brought a new view on the customers targeting. In the classic media like television or newspaper, advertising acts on everybody. Conversely, through Internet marketing company can focus individually on the each customer and adapt the communication and offer to match with the customer needs and requirements (Janouch 2010, 18). From this point of view is Internet advertising more efficient then classic media because it is possible to choose the most suitable target group. We do not need to waste money on inefficient displaying of advertisements to those who are not interested in our products or service at all. As a result Internet advertising is cheaper and more effective.
4 MEASUREMENT AND ANALYTICS

If the company has a clear marketing strategy and goal, is much easier to focus exactly on a data which are important for the company to analyze. Every single step what customer takes on the website can be measured and used for further improvement. Compared with traditional marketing, in Internet marketing are available tools which help measure business return on investment (Sheehan 2010, 139-140); (Janouch 2010, 115-116). The analysis of the website attendance helps marketers understand what customers want, what are the trends and current fluctuations (seasonality, weather, political decisions etc.)

4.1 Key Performance Indicator

The data what are closely connected with a business strategy and are crucial for measurement of success are called KPI (key performance indicators). Each company has a different strategy and invests more money into different marketing techniques that is why KPI vary among businesses (Sheehan 2010, 140-141).

Some tracked KPI might be:
- website attendance
- traffic sources (social media, search engines etc.)
- click-through rate
- cost per conversion
- cost per click
- increased traffic volume
- site abandonment
- site satisfaction
- return on investment
- total number of online sales
- rank of link on search engine

Source: Data from Sheehan 2010, 140-141; Miki 2013.

4.2 Google Analytics

On the market is number of tools which can analyze KPIs, as for example AWSats, Omniture, Webtrends, Google Analytics etc. The most widely used is Google Analytics. It is a free available tool. GA can provide detailed statistics for marketing purposes. This tool
is used by small and medium sized companies. Originally the software was called Urchin Software Corporation. In 2005 Google bought that company and started to improve the services under the name Google Analytics. According to Margaret Rouse this system is based on a method of collecting data through JavaScrip page tag inserted in the code of the pages the web analytics wants to collect data on (Rouse 2011). A disadvantage of this service is that the collecting data is reliant on cookies and Internet users have possibility to disable them. In this case the system is not able to collect the data for analyzing. GA is available in 25 languages. All data from statistics is possible to export into format of PDF, Excel etc.

Google continuously improves the services and complements new metrics for measuring therefore the design of user menu is changing. The following picture shows current design of Google Analytics.

Figure 3. Google Analytics overview

Source: Data from Waisberg, 2013.
4.3 Facebook Insight

Facebook Insight is a tool which tracks various activities made by corporate fan page followers and their characteristics etc. The administrators of Facebook corporate page can track the performance of their followers and adapt the content or the time of posting according to the data collected. In this tool is possible to track number of likes and analyze if they are increasing or decreasing. This tool also offers a possibility to track the virality of the latest posts and see their reach. It might help administrators investigate which post proved to be most successful and post similar type of posts repeatedly. For some businesses might be useful to discover the follower’s: location, age group, gender etc. These data also Facebook Insight provides (Joss, 2012). Very useful might be time or dates when are the most followers online in the purpose to increase the possibility that the posts will be displayed to as much people as possible. All this information might be useful for adapting an interesting content for the current followers and in purpose to engage with new Facebook users. The important factor is the Facebook fan page reach which indicates if current fans interact with the posts uploaded. In the terms of reach is also possible to see whether the reach was organic, paid or viral. These results might help company to find the most effective types of posts for their audience.

The activity of fans is crucial for spreading the posts among other Facebook users. If the company tracks a data about fan page audience and analyze their behavior, it can help them to maximize their influence which might lead to the profit increase.

The following picture shows the current look of Facebook Insight.
Figure 4. Facebook Insight overview

*Source*: Data from Thousand, 2014.
II. ANALYSIS
5  METHODOLOGY OF THE ANALYTICAL PART

The main objective of the analytical part is to evaluate the strengths and weaknesses of the communication marketing strategy of the company and, based on the results from the analysis of the internal data, come up with a recommendation for an innovation of current marketing communication strategy of an online jewelry store.

At the beginning of the analytical part I will introduce the company, its history and its internet marketing communication strategy. The information about company and its history are obtained from the interviews with the owner of the company, from the knowledge acquired while working at the company as a part-time employee and from the company website. For the analysis of current internet marketing communication strategy of the company are used internal data of the company, gathered from the website analytical tool Google Analytics and from the analytical tool Facebook Insight. I will be comparing these data from the certain time periods and searching factors which could identify a space for an innovation of the current marketing strategy of the online jewelry store.

For online stores is crucial to analyze a data from the previous online marketing campaigns, watch the recurring and changing trends, customer behavior, traffic sources and many other factors. An analysis of the data is needed in purpose to set up the efficient marketing strategy for the next period or react immediately to the changing environment.

Because of using internal data about the company, the company wishes to remain anonymous. That is why I will be using code names for the name of the company and the projects which are run by the company.
6 INTRODUCTION OF THE COMPANY

6.1 History of the Company
The owner of the company started with online sales in 2005 when he as a sole trader set up a project focused on sales of silver jewelry. The idea was to sell silver jewelry which are cheaper than in mortar store and ready to dispatch immediately. Two years later the range of products was extended by the stainless steel jewelry. In 2009, the prospering company launched a new e-shop with golden engagement and wedding rings. The company was following the trends and included in the offer more affordable wedding rings made from stainless steel. In 2010 was created a concept of an online jewelry store and company XY s.r.o. was established. Both projects were transferred under the company XY s.r.o. The owner wanted to extend the offer by other types of golden jewelry, consequently, in 2011 arose a new project. In the same year, the fourth project selling branded jewelry was founded. In total the company XY s.r.o established four projects with the four different domains.

6.2 Current Situation of the Company
Company XY s.r.o has three permanent employees including the owner, one external accountant, two contractual partners, two part time employees. The owner focuses on the management of the company as well as on internet marketing of the company. Two permanent employees are responsible for customer service and communication with suppliers. One of the contractual partners is web designer and one is programmer. They are also partly involved in the marketing activities. The part time employees help with the web administration and with writing articles for the online wedding magazine which is part of the website with engagement and wedding rings.

Nowadays, company focuses the most on the project selling engagement and wedding rings (in the following text called project “S.cz”). Through this domain online store sells golden, silver, stainless steel engagement and wedding rings. Mostly all products offered on this domain are based on costumed manufacturing from the external producers.

Project which offer silver jewelry is sidelined in this moment. The project still operates, but the company currently does not invest in the marketing and site updates. Other two relatively new projects, one which sells golden jewelry and the other one which sells branded jewelry, are considered rather as complementary in this moment. However,
the owner counts with all three projects in the future and wants to include them in the overall marketing strategy as a part of the online jewelry store XY s.r.o.

All activities of the company XY s.r.o are operated through the Internet. The company does not have any mortar store or distribution point. That is why Internet marketing strategy is essential for this company. I will analyze especially this project S.cz and its internet marketing communication strategy because the company is currently planning to focus the most of the energy and investments into the project with engagement and wedding rings.

6.3 Specification of the Project S.cz

The idea of this project was to set up an Internet online store with range of products from an exclusive brand which had a strong position on the market. In 2010 when the Czech Republic was going through economic crisis the owner came up with more affordable wedding ring from stainless steel. In that time it was niche on the market and nearly no online store was capable to keep the steal wedding rings on the stock. This project offered steal wedding rings which were immediately ready to dispatch.

When we look at the online stores with engagement and wedding rings we will find out that there is nearly only one online store on the Czech market which sales engagement and wedding rings and has no mortar store. Despite of the company operates only through the online store and is still profitable, indicates that the company has really strong marketing strategy.
7 COMPARISON OF SERVICES WITH COMPETITORS

Major competitors of the project are online jewelry store Bisaku (www.snubni-prsteny.cz) and Zlatnictví Rýdl (www.snubniprsteny-lr.cz). Jewelry store Zlatnictví Rýdl offers engagement rings made from gold and platinum and wedding rings made from gold, silver and palladium. Jewelry store Bisaku offers engagement and wedding rings made only from gold. The online jewelry store S.cz offers engagement rings and wedding rings made from gold, silver and stainless steel.

In the following figure are illustrated strengths and weaknesses of each jewelry store in terms of provided services, website contents and website usability.
Figure 5. Comparison of services with the competitors

Source: Data from Zlatnictví Rýdl, 2014; Bisaku, 2014.
The strength of these two competitors is position in search engines. That is why is probable that these two companies focus on SEO as one of the main part of their marketing strategy. Jewelry store Bisaku has very similar domain as project S.cz and accordingly, it is probable that sometimes customers search for this domain and the search engine direct them on the website of this competitor. Because there is only one letter difference is more than likely.

The competitors claim that they are also producers, therefore they offer rings with their own designs. Price range is rather higher. Project of company S.cz offers products from four suppliers. The range of the products is from cheap, simple, delicate rings to luxury, massive rings with various designs. The shipping and graving for free, when the order exceeds 1000 CZK, is essential for all three online stores. But Bisaku and Zlatnictví Rýdl offer also graving in the form of own handwriting and Bisaku even in the form of own fingers print. What I find attractive is the choice of five fonts for graving which is simultaneously being displayed when writing the text for the particular rings. Then customers can choose which font they like the most. The project S.cz which I am analyzing does not offer this function and offer a choice of only two fonts.
8 MARKETING STRATEGY OF THE COMPANY

When the owner of the company established the project with engagement and wedding rings he already had an experience with previous project so he implemented the techniques which have shown be effective. Anyway, the target group of the analyzed project is narrowed because it offers only engagement and wedding rings so the marketing strategy is slightly different. The target group of the online store S.cz is young people between age 20-35 who have a positive attitude towards Internet shopping and searching for engagement and wedding rings for a reasonable price.

The company now uses these online marketing techniques:

- PPC campaigns from Google and from Seznam (Sklik)
- SEO
- Emailing (newsletters)
- Discount coupons
- Monthly special offer
- Facebook activities (26 500 fans)

The website of the analyzed project is optimized for search engines through frequent used key word related to their product range thanks to this fact the company keeps the position on the first page in search results, when searching most common words related to the engagement and wedding rings. Company also invest into PPC campaigns which has shown be effective. Newsletters are part of the regular communication with current and potential customers. Company XY s.r.o offer discount coupons with every single order made on any of their project. The discount coupons provide price advantage in particular value for purchase from all projects of the company. When we consider the target group it is young people in the age 20-35, the most of this young people are also Facebook users. That is why company also pays attention on Facebook activities. Nowadays Facebook fan page of the project has 26 500 fans it indicates that the company has highly sophisticated strategy for this social media.
8.1 Analysis through Google Analytics

8.1.1 Website Traffic

As the most important KPI is for the most of companies is website traffic. The probability of sales increases with number of visitors. The number of visitors indicates the popularity of the website and its searchability. To generate profit each company, especially online retailers, are not able to do without sufficient target website traffic. Thanks to detailed statistics we can reveal which pages are the most popular and we can support them by various types of promotion. Crucial for the popularity of a website is the amount of time what a person spends on the website. It indicates if the person is the target traffic and longer the person stay, the higher is probability that company will establish a long-term relationship with the Internet user. The person may subscribe to newsletter or to promotional content etc. (Riggs 2013). When organize an online marketing campaign, to measure the website traffic is also important because it shows if the campaign increased the website traffic or not. In Google Analytics it is possible to measure the website traffic during a certain time period and compare it with previous ones. Thanks to this information we can find out the seasonality of the sales and then adapt a marketing strategy to support the website attendance in the right time.

Figure 6. Website traffic, 2011-2013

Source: Data from Google Analytics.
I created this line graph by using data from Google Analytics. This graph shows the tracked website traffic during three years, from 2011 to 2013. Each line in the graph stands for the different year. As is visible from the graph, there are significant deviations within the years and even within the single months.

- **2011**
  The year 2011 was the most consistent in comparisons with the other years. In October/November company probably launched a marketing campaign to support Christmas sales of engagement rings for Christmas. The seasonality during the winter is visible. Not many couples get married during winter. What sells in the winter are engagement rings which are given by men to their girlfriends as a Christmas gift.

- **2012**
  In this year we can see that the website attendance slightly increased in the first half of the year, and in the second half of the year rapidly decreased. After the peaks in website attendance, which are according to the graph in spring, there was not organized any marketing campaign to support Christmas sales.

- **2013**
  At the beginning of the year, company responded to the rapid decrease at the end of the previous year and organized a discount sale of wedding rings from stainless steel, communicated on their Facebook fan page. It caused 115% increase in website traffic, between February and March. The second half of the year was very similar in website attendance as in the year 2011.

**8.1.2 Website Visitors**
The following two pie charts illustrate what percentage of visitor has visited the website at first time and what percentage of visitors returned back. The data are tracked from August to November 2013.
The first chart divides total website traffic into group of new visitors with 57% and returning visitors with 43%. The second chart shows which percentage of new or returning
visitors made a transaction. As is visible on the first view, that the customers who purchase engagement or wedding rings usually do not react spontaneously, but think over the purchase and visit the website at least two times before they buy. That is why the percentage of new visitors who made a transaction is only 24% and the percentage of returning customers is 76%.

8.1.3 Total Amount of Sales

For the analysis of total sales are used data collected by the owner. This line graph illustrates the amount of sales, from January 2012 to December 2012.

![Graph of Total Amount of Sales 2012-2013](image)

Figure 9. Total amount of sales, 2012-2013

*Source: Internal data from the company.*

When I compare the graph with total amount of revenue with the graph of website attendance, is visible that the peaks are different. This data prove that high website attendance not necessarily ensure the high number of transactions. While website attendance is generally highest in March, April, May; the sales are highest in May, June, July, August. This result signifies that potential customers usually start thinking about a
purchase during March, April, May and compare the products with competitors. To make a final decision usually takes them from 1-3 months.

8.2 Internet Marketing Channels

I analyzed the Internet marketing channels as a source of traffic during August-November 2013. To know through which channels comes the most traffic on the company’s website is important for further marketing planning. To understand which channels give the best ROI helps the company select the channels where might be allocated the highest percentage of investments.

Figure 10. Internet marketing channels, August-November 2013

*Source:* Data from Google Analytics.

The 64% of visitors entered the website through organic searching. It means they simply typed a key word into the search box and search engines offer them the list of websites, and the Internet users selected the website which I am analyzing. Secondary source of website traffic is referral. These are the links which refer the visitors to enter a particular website. Among referral sources might be advertisements, catalogues, links placed on partners’ websites etc. Social media as a channel with 13% proportion of traffic source brings very similar amount of visitors as referral sources. The significant role for this
company plays Facebook as a social media channel. Direct search is the fourth most frequently used channel. A Direct search takes place when a person types exact domain of the website into the line for URL search or click on the link in their browser favorites. From the chart is visible almost zero efficiency of emails. Unattractive content might be a reason why nearly nobody clicked on the email messages. The company should probably focus more on the email content and change the strategy of the email marketing.

Now we know where the visitors the most frequently come from, and in the following pie chart will be compared number of visitors with real customers who completed purchase. The tracked data are from the same time period as a previous chart, August-November 2013.

### 8.2.1 Final Channel before Conversion

The final channel before purchase is in 59% direct search. It proves that customers visit the website more times before they buy. They mark the website as a browser favorite in purpose to compare the products with other websites and think about the purchase and then decide to buy.

![Figure 11. Final channel before conversion, August-November 2013](image)

*Source:* Data from Google Analytics.
8.2.2 Average Price of One Order
In the following bar chart are compared average amount of orders in connection with the final channel before purchase. This chart may indicate the customers who came from social media are more likely to buy products in the lower price range; and customers using direct search are more likely to buy products in the higher price range. The data are tracked from August to November 2013.

![Average Price of One Order](image)

Figure 12. Average price of one order, August-November 2013
*Source: Google Analytics.*

8.2.3 The Most Searched Content
The most searched content can by analyzed by frequently used keywords while searching through search engines and according to the steps what visitors take on the website. I analyzed both factors to make a relevant conclusion. The data are tracked from August to November 2013.
When I divide the key word into more general categories, widely searched are wedding rings with 38%. It is percentage of people who visited, as a landing page, the offer with the wedding rings. On the second place with 29% is positioned the content such as, information about company, homepage of the website, reviews, tips how to find out right size of the rings, special offers etc. It is quite high number but it is not clear if these visits lead to purchase, but it rather builds a trust between the visitors and the seller. What is quite surprising is that engagement rings are in searching with 23% proportion on the third position. How I have mentioned previously, to offer visitors interesting content the company regularly updates the online magazine where they publish articles related to wedding and engagement. Wedding magazine is placed with 7% on the fourth position. As a last category is placed the site search, it is a search within the website.
Figure 14. The trends of wedding rings, August-November 2013

Source: Data from Google Analytics.

To maintain a position on the market the company has to follow trends and adapt the offer to customer needs. Another reason why is important what people search, is the marketing strategy planning when company may support some areas with high potential. That is why I analyzed the current trends of wedding rings. This data are tracked from August to November 2013. This pie chart provides information what customers did as their second step on the website; it also shows the trends in the field of wedding rings. The most popular are wedding rings from white gold. On the second position are wedding rings from stainless steel which are getting more and more popular in comparison with the previous years. The wedding rings from combined gold are more popular than rings from yellow gold. It is visible that trends are changing when I compare it with the generation of my parents in that time everybody had wedding rings made from yellow gold.
We can see that white gold rings with 49% keep the first position also in the section with engagement rings. The engagement rings from yellow gold keep the following position with 12% and silver engagement rings and rings from Swarovski (the rings equipped with specially cut stones) are third choice products with 11%. Stainless steel with 8% proportion is not so popular material for engagement rings as for wedding rings. Other category which is displayed in the section with engagement rings is rings in the stock (which are ready to dispatch immediately) with 6% proportion. As a second step, 2% people clicked on different section or did get back on the landing page.

### 8.3 Facebook Insight

As a part of commercial Facebook profile, Facebook offer an analytical tool called Facebook Insight. This tool helps to analyze the fan’s interaction with the content and to create interesting content strategy. Through this tool is possible to track many metrics. The most frequently analyzed metrics are as follows:

- Monthly fan size growth
- The average number of likes/comments/shares
- Unlikes and attrition rate
- Demographics
- The days and times when the fans are online
- Page views
- Mentions
- Tab views
- Referees
- Impressions

### 8.3.1 Total Page Likes

![Graph showing total page likes from March 2013 to March 2014]

**Figure 16. Total page likes, March 2013-March 2014**

*Source: Data from Facebook Insight.*

In March 2013 the Facebook fan page had 22 700 fans what is very high number. In March 2014 the Facebook fan page had already 26 400 fans. The number of fans is constantly growing. It demonstrates that company is active on Facebook and knows which content is attractive for their fans and know the ways how to attract new fans.

The administrators of the Facebook fan page does not post only product offers, they also offer a interesting news from the “the world of wedding” such as, new trends in wedding fashion, advices, tips, inspirations etc. Links to the articles from the online wedding magazine on the company website are also sometimes published.
Facebook is a place where people want to have a rest, entertain not only watch product offers and sales. The combination of both, offers and the interesting, entertaining content is recommended to be successful on Facebook.

Figure 17. Number of likes and unlikes, March 2013-March 2014

Source: Data from Facebook Insight.

On this graph is illustrated the number of likes and unlikes. It is also known which likes have been achieved organically or by paying for further advertising. Organically means by viral effect, when a Facebook fan comments, likes or shares the post on a fan page all these actions are displayed to his Facebook friends. To intensify the number of likes is possible to pay for further advertising of posts. The paid advertising assures that the post will be displayed to wider audience (Schoenfeld 2011).

As we can see in March-May 2012 there have occurred significant deviations. In that period have been published posts which were found very attractive by the target audience. To achieve wider reach have been used paid advertising.

There is also a percentage of people who unsubscribe (unlikes-red color) from the fan page after some time. But this tendency is natural. The posts on the fan page are related to wedding and when people get married is probable that they will be not interested in wedding trends anymore. Thanks to this graph is possible to analyze for example which post caused the unsubscriptions of the fans. According this fact we can avoid publishing
post of this type and avoid further unsubscriptions. The question is, if is relevant keep on the Facebook fan page people who already got married because they are not likely to buy the offered products again. But advantage might be taken of the viral effect when a fan interacts with the fan page post and his followers might see the activity and the advertisement of the fan pages.

![Figure 18. Total reach of activities on Facebook, March 2013-March 2014](image)

**Source:** Data from Facebook Insight.

Total reach of activities on Facebook includes the number of all people who saw any activity from your Page, posts by other people, mentions, Page like ads and check-ins (Facebook 2013). On the first view is visible how effective the paid advertising is. For a relatively low price is possible to have advertisements displayed to huge mass of target audience. That is why Facebook is getting more and more popular and becoming important part of marketing mix for many companies.

### 8.3.2 The Most Suitable Time for Posting

Facebook Insight also offers a very useful statistics with days and times when the fans were online previous week. Thanks to these data Facebook administrators can set up the most suitable time for posting. As a result, increases the probability that the post will be viewed by as much people as possible.
According to the graph the most fans are online on Facebook on Friday from 7 to 9 pm. But there is only slightly difference between the days when are the most fans online. This is the most suitable time for posting. It is worth mentioning that the total number of fans is 26,000 but the maximum of fans online is 18,000 at the time period from March 12 to March 19. It identifies that that 8,000 fans are not active on Facebook and did not log in Facebook profile previous week.

According to social media specialist Staf Writer, posts on the commercial fan pages should not be posted more frequently than once a day. Generally is recommend for brands to post three up to four times a week. For the media fan pages is desirable to post several times a day (Writer 2011).

8.3.3 People Engaged with Facebook Fan page
There is a difference between people reached and people engaged. The people reached are all people who saw the post and people engaged are people who have liked, commented on, or shared any of fan page posts or engaged with the fan page.
Figure 20. People engaged with Facebook fan page, February-March 2014

Source: Data from Facebook Insight.

This data are tracked for 28 days long period and they reflect an average of people engagement with Facebook fan page. Here we can see that most active, with 48% of people engaged, are women from 25-34. It is also related to the target group. The age of newlyweds is increasing and the age from 25-34 is the most likely the age when people are planning their wedding nowadays. About few years younger women at the age of 18-24 have engaged in proportion of 25%. On the third position are women at the age 35-44 with 11% of people engaged.

When we have a look on the percentage of men engaged we can see that in total it is only 10% and remaining 90% is covered by women. This says that the content of the fan page is focused on the interaction especially with women. Women are also the final decision makers when considering purchase of wedding rings. But men are the buyers of the engagement rings. The company purpose should be to persuade buyers of engagement rings to buy later also the wedding rings. From this point of view is important to engage with men also, not only with women.
9 SWOT ANALYSIS OF THE ONLINE STORE S.CZ

Through this method is possible to indentify strengths and weaknesses of the project (internal factors) and threats and opportunities (external factors). This analysis might comprehensively evaluate the operations of the company, reveal problematic areas and new opportunities for the company. The output of a SWOT analysis should be taken into account before any strategy planning.

Table 4. SWOT Analysis of the online store S.cz

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<td>new suppliers</td>
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<td>enter a new market</td>
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<td>complementary services</td>
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<td>Affiliate marketing</td>
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</table>

Source: Own analysis.

- **Strengths**

From the point of internal factors I consider as significant strength the position of this online retailer as a customer-oriented retailer which is trying to reduce barriers for online shopping and trying to offer customers as comfortable service as possible. Customers can pay for their purchase online by credit card and they can also read more than 2000 reviews from the previous customers. While searching most frequent words used for searching wedding rings, company usually appear on the first page in search results. That is why position is search engine is considered as strength. Content of the website is very strong, from the online wedding magazine to the detailed product description and instructions for
home measurement of ring size. The company offers more than 400 models of wedding rings and more than 200 models of engagement rings.

- **Weaknesses**

One of the most significant weaknesses is absence of a mortar store or at least a place where people from neighborhood could pick up the rings personally. The presence on Wedding fair or on wedding events could be also advantageous. The significant deviations in the website attendance or even in the sales are not always being supported by marketing campaigns. There is no set up strategic plan for marketing campaigns off the season. The email readership is very low and conversion via email is negligible. The company meets with very low CTR on Google advertising campaigns. The number of displays is very high so there is a potential to raise a number of clicks by reorganization of Google campaigns.

- **Opportunities**

The main priority what probably every business want to achieve is constant growth in market share. The company already tried to enter German market and also completed several transactions in Germany, but it was not the priority in their strategy so they will probably focus more on this market in future. Establishing a partnership with new supplier and extend the product range is another opportunity which company could take. Company also could start to cooperate with wedding studios and with online wedding magazines. With weddings studios it could be advantageous in form of commission from a purchase made by coupons offered in the studios. The cooperation with online wedding magazines could be based on Affiliate marketing when the online magazines could display banners of the project S.cz on their websites in exchange for the commission from a purchase made through online magazines. To offer customers added value, company should continuously improve their services. From this point of view the company could add some extra services such as special delivery with flowers or in special packing such as for example, piece of cake (for engagement rings), own handwritten engraving, gilding of rings after some time, sales of (plastic or cardboard) testing rings etc. The other option is also to come up with own designs of the rings which could also be added value for a customer.

- **Threats**

What company cannot influence are government regulations. Already the new commercial code in force from 1.1.2014 brought new changes which influence also online retailers. Nobody knows how the commercial code will be changed in the following years. With business cycle is also connected number of weddings which influences the number of
potential customers. The company relies on the external suppliers and if any of suppliers would terminate their production this fact could also become a potential threat for the company. The number of online stores is constantly increasing. There is always possibility that new competitor will enter the market which could endanger the market share of the company.
10 RECOMMENDATION

To determine if a particular campaign is effective is necessary to watch previous statistics and the context in connection with invested resources. In the following part I will take in consideration the data analyzed in previous chapters and put them in knowledge gained from theoretical part. The result should be proposal of an innovation of current marketing communication strategy of the online store S.cz

From the point of Internet marketing communication is company doing very well. The company uses many channels which are available for Internet marketing communication, follows the trends, trying to meet customer needs but there is always space for improvement. Some deficiencies the company might not see because they do not analyze a data regularly or track some particular KPI and do not track other data which may indicate some space for improvement.

10.1.1 Comparison with Competitors

While comparing the website services with competition I came up with conclusion that the project S.cz is more customers oriented then the other online stores. Online store S.cz inspires confidence on the first impression. It is because of the references written by the previous customers and thanks to the online wedding magazine. These are the main differences which might influence customer’s first impression.

The project S.cz is only online store which has no mortar store among the other two analyzed online stores. The company must continuously build trust and eliminate the barrier from purchase of engagement or wedding rings through the Internet. The company is aware of this fact and places a lot of useful information on its website. On the company website are available for example instruction how to measure the right size of the rings or some videos of rings for realistic imaginations. Another advantage what the project S.cz has, and the two analyzed competitors do not, is online payment.

In this field of business is very important personal approach. The engagement and especially wedding rings are investments which are supposed to last lifetime. Couples usually think over the purchase carefully in purpose to make a right choice. From this point of view is very hard replaces personal approach when people can test the rings personally and try which rings fit them best and discuss it with a seller. Of course nowadays the trend of online shopping is increasing, but the reach of the project S.cz could be greater if there would be possibility to see and touch the rings personally. From this point of view it might
be useful to open a mortar store and participate in Wedding fairs. Then the company could start with local marketing campaign and enable customers to pick up the rings personally.

While comparing website and services with competitors I found one point which company could work on. It is number of fonts for graving. The competitors offer 5 fonts unlike project S.cz offers only two fonts for graving. It is not that significant disadvantage if I consider how many advantages company offer in comparison with competitors, but for some people it might be crucial to make a final decision. With the graving is connected another point for improvement which is the function for displaying a text in the chosen font for graving which is being simultaneously displayed while typing a text. It is an extra service which makes a personal impression when people can see how exactly their text, which is supposed to be engraved in their rings, will look like in a particular font.

10.1.2 Analysis through Google Analytics

According to the significant deviation in website attendance is visible that company did not adapted marketing strategy to exact months according seasonality. Every year was slightly different in terms of website attendance. The data collected indicates that the website attendance is highest in March, April, May, but in contrast with analyzed months with highest revenues the months are different. The months with highest sales are in May, June, July, August. The company should take advantage of the website attendance and organize special time limited offers which would make customers buy immediately. According to my statistics a majority of people think about the purchase of wedding rings from 1-3 month before they buy. The fact that they are considering the purchase so long increases the possibility that they might buy the rings at competitive stores. When customers visit the company website with an attractive time limited offer which it would make them buy the rings in short time period and decreased possibility that they would buy rings somewhere else. Time limited offer might be in form of discount or some kind of added value which customer would appreciate.

A significant decrease in the website traffic and in the sales takes place when main wedding season ends. The most critical months are from October until February. In this months the company should company invest more in the promotion of engagement rings and increase the percentage of conversion by special offers.
10.1.3 Internet Marketing Channels

The channels which generate the major website traffic are search engines which generate 64% especially new visiting website traffic. The second source of website traffic is referral which generates 14% of website traffic about one percent lower are ranked social media especially Facebook. These are the three sources of website traffic which nowadays generates the highest website traffic. On the other hand, is also important to take into consideration the sources of website traffic through which come the website traffic which really make a transaction. The sources of such traffic significantly differ from the sources which generates the highest traffic. This fact also proves that people usually do not purchase immediately and mark the website as favorite or remember the domain and when they finally make a purchase they get on the website thanks to this ways. In total it is 69% of final customers who use direct search when they intend to buy. There is still 34% of final customers get on the website through organic search on search engines.

10.1.3.1 Google vs Seznam

Thanks to the analyzed data, the percentage of people who prefer search engine Seznam.cz or Google.cz is nearly the same but the website attendance through Seznam is about 8% higher than on Google.

From the point of SEO the company website is well optimized for the most frequently searched key words. But the company meets with better success on the search engine Seznam.cz where the company has better position in searching for the most commonly searched key words in the field of wedding and engagement rings.

When I compare CTR of campaigns organized on Seznam and on Google, search engine Seznam is remarkably beating Google. The CTR indicates how many people clicked on the advertisement. In the August 2013 was CTR on Google 0,42% while on Seznam it was 6,1%. From this point of view it is visible that marketing campaigns are more efficiently set up on Seznam. One advantage what Google has is its number of display which is multiply higher than on Seznam. The number of displays can lead in increase of the brand awareness which is also important to keep in mind, from the long-term point of view but is very hard to measure. The question is why the CTR on Google is so low. It might be because of the advertisements are displayed with irrelevant key words which are not closely connected with the product range. It might be because the website is optimized also for wide range of key words connected with online wedding magazine. The
conversion rate from the total clicks made on the advertisements through search engines, both Seznam and Google, is higher on Seznam which keeps the leading position with 76% and Google has remaining 24%. From this point of view is visible that advertising on Seznam is much more efficient. To even strengthen the reach on Seznam could be useful to start with remarketing campaigns which have been launched recently also on Seznam. The company already launched remarketing campaigns on Google, but it did not bring expected payoff. The company probably should focus more on SEO for Google because it has high potential which is not fully exploited.

10.1.4 Email Marketing
Email campaigns meet with very poor interaction. The readership of newsletters is very low and the conversion from email campaign is negligible. Email marketing is technique which require more attention and where is huge space for improvement, in the case of this company.

I would suggest focus on collecting emails from potential customers and then start a new email marketing strategy. One way how to obtain emails from potential customers is an e-Book which would offer customers some valuable information about wedding and engagement rings or information, advices or solution to some situation connected with weddings, in exchange for an email. Nowadays the requirements of customers are increasing and retailers have to be constantly thinking about the benefits they can offer to their customers to persuade them to buy. This is the way which the company should follow too and e-Book might by one of them. A strong database of contacts is essential and then company can individualize the content of the emails or set up a strategy for email marketing.

10.1.5 Current trends and customer behavior
In the analytical part I was also analyzing customer behavior, the most frequently used key words and the steps what customers do on the website. What customers search is also connected with SEO, marketing campaigns and algorithms of search engines, because all these factors influence what will be displayed to Internet users. The result is that company focuses the marketing campaign especially on various formulations of the wedding rings. It also corresponds with the proportion of 38% visits are directed on the offer with wedding rings. With 29 % percent is placed additional information about company, instruction how to measure right size of the rings etc. What company probably should more focus on are
marketing campaigns connected with engagement rings because the engagement rings are placed with 23% on the third place what is quite low.

In the field of wedding rings are the most popular rings made from white gold on the second place are wedding rings from stainless steel on the third place are wedding rings from combined gold and on the fourth place are the wedding rings from yellow gold. According to this fact company could adapt the monthly discount offer to correspond with the current trends and customer needs. The trends in engagement rings are slightly different. The majority of people prefer engagement rings made from white gold, on the second place with only 12% placed engagement rings from yellow gold, a cheaper option of white metal engagement ring silver engagement rings from silver is with 11% on the third place as well as engagement rings Swarovski. In the field of engagement rings is stainless steel not as popular as in terms of wedding rings, with 8% are engagement rings from stainless steel placed on the fourth position. Last category is rings on stock which are not being promoted so much. The rings on stock might be taken as a great advantage because on the market is minority of sellers who offer some golden engagement rings ready to dispatch immediately. The promotion of the rings on the stock might be used especially in months with high potential that men will propose to her girlfriend. These months are probably before Valentine’s Day or before Christmas Eve.

10.1.6 The project S.cz as a part of the company XY s.r.o
The company should take advantage of the wide range of products what they can offer. Not only in terms of project S.cz which offers wedding and engagement rings but in terms of all projects belonging under the company XY s.r.o. The company should present themselves as a one company and promote all the projects together. When we consider how expensive and time consuming is to build a trustworthy relationship between customer and seller it is a pity to do not continue in cooperation with such a customer. For the company it could be very significant step which could move them forward. At first company should start archive a data about customers and the products what they bought and set up occasions and a time periods which will be the most suitable for sending an individualized offer, based on the data acquired.

10.1.7 Facebook communications strategy
In comparison with competitors the project S.cz is top one in the amount of Facebook followers. On the other hand, the amount of the followers not necessarily ensures increase
in sales. The purposes of the Facebook fan page might be spreading of brand awareness and increase in sales. Facebook fan page directed to the company website 13% of total website traffic which is not insignificant number. Facebook as a last channel before purchase does not seem so successful, it was only 3%. This number is quite low but it is also natural for this kind of purchase that people usually think over the purchase and do not purchase straight away. From this point of view is difficult to measure the return on investment. A notable growth of website traffic and sales is visible within months when the sale of wedding rings from stainless steel was organized on Facebook. A special offer is one of the main reasons why people generally follow company Facebook fan pages. One part of the Facebook content strategy might be special offers, the special offers for certain type of product range, for example, discount of wedding rings made from yellow gold etc. The special offers must be time limited to persuade customers about uniqueness offer which is not going to repeat. Another option of special offer might be an engagement rings plus a discount for wedding rings.

The company keeps a tendency of increasing number of followers. This fact confirms that company offers interesting content to the target group. The strength of the company is the number of reviews from the previous customers. The company should keep the image of the customer-oriented online jewelry retailer and enlarge a reach of the references and work with the satisfied customers. An advantage could be taken from the satisfied customers who want to show their Facebook friends that they like their newly received wedding rings from ordered from the online store S.cz. For this purpose, a link with the picture of the rings could be sent by email and customer could write a comment related to the rings and share it with his friends on Facebook. It could work as a personal recommendation to their friends which might be also powerful. The other way how to work with customer references might be a picture of the rings from a wedding day sent by customers. The motivation for customers could be an exchange for a small gift. The strengthening of the customers-oriented retailer this is the way how the Facebook strategy should be directed. To build a trust and show the Facebook followers that behind of their monitors are thousands of satisfied customers and real people who are waiting to fulfill their wishes.
11 CONCLUSION

This bachelor thesis focuses on marketing communication techniques which might be used by online retailers, and analyzes the current marketing communication strategy of the online jewelry store. In the analytical part the company XY s.r.o. and its origin, business activities and the online stores which belong under the company XY s.r.o. are introduced. The online store what company focuses the most is the project S.cz which offers engagement and wedding rings for online purchase. The main purpose of this bachelor thesis was to show possibilities of Internet marketing and propose a recommendation for further improvement. The objective was demonstrated through the analysis which applies on this online store S.cz

Nowadays when the Internet access has nearly everybody, it is very important to follow trends in the field of Internet marketing communication and take an advantage of this medium. The way of people’s thinking is changing and they are searching the ways how to save time, money and here arises a space for Internet shopping. Internet is not used anymore only as a source of information but also as an unlimited virtual shopping center. Many people are aware of this fact and new online stores becoming established. Big difference arises among the online stores who have specialist for Internet marketing and those who do not. How company is doing in terms of visibility and searchability is crucial for every online retailer who wants to make a profit.

To reveal how the company is doing and where is a space for improvements I analyzed the Internet marketing channels which are used for Internet marketing communication, current trends in the field of wedding and engagement rings, customers’ behavior on the Internet, seasonality of the sales and deviations in the website attendance. To be able to come up with the innovation of marketing communication strategy, I had to put all analyzed data in a broader context which I gained while working in this company and also from the knowledge gained while studying the topic of Internet marketing communication.

The Internet marketing communication strategy of the online store is very sophisticated and I see great potential in development if company will take into consideration my recommendation and will continue in the current attitude of continuous improving.
BIBLIOGRAPHY


Sheehan, Brian. 2010. Online Marketing. Lusanne: AVA Publishing SA.


# LIST OF ABBREVIATIONS

<table>
<thead>
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<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>SEO</td>
<td>Search Engine Optimization</td>
</tr>
<tr>
<td>PPC</td>
<td>Pay-per-Click</td>
</tr>
<tr>
<td>CTR</td>
<td>Click-through Rate</td>
</tr>
<tr>
<td>KPI</td>
<td>Key Performance Indicator</td>
</tr>
<tr>
<td>ROI</td>
<td>Return on Investment</td>
</tr>
<tr>
<td>CRM</td>
<td>Customer Relationship Management</td>
</tr>
<tr>
<td>PFI</td>
<td>Paid-For-Inclusion</td>
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