

**MYKOLAS ROMERIS UNIVERSITY**  
**BUSINESS AND MEDIA SCHOOL**

**IEVA JUOZAPAVIČIŪTĖ**  
Electronic Business Management

**CREATION AND APPLICATION OF QUALITATIVE  
CRITERIA FOR DEVELOPMENT OF INTERNET  
MARKETING**

**Master thesis**

**Supervisor -  
assoc. prof. dr. Tadas Limba**

**Vilnius, 2015**

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**Supervisor**

**assoc. prof. dr. Tadas Limba**

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**Performed by**

**EBMmfs4-01**

**I. Juozapavičiūtė**

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## INTRODUCTION

**Novelty and relevance of the topic.** XXI century is regarded as the most important global information technology revolution in the world. Modern people live in the world of technologies that are rapidly improving and expanding into different areas. This phenomenon leads to the growing needs of people and competition. Constantly changing environment of new business models, organizational forms, and the migration of business into the electronic environment (further e. environment) is nothing strange, it becomes mandatory part of everyday life.

Moving the business to e. environment is one of the steps, but in order to become a successful business it has to attract the costumers and within a website to build strong and good relationship with consumer (Fisher et al., 2003), it must have one of the most important tools – strong marketing team. XXI century has become a very significant to marketing professionals. Collision with a number of innovations, challenges and opportunities caused by traditional marketing to the electronic transition. In the literature, this marketing direction is also called internet marketing, web – marketing, hyper - marketing.

The Internet and other digital media tools have transformed marketing. The customers have much broader choice of goods and services, they can choose between wide number of suppliers and prices. New internet marketing opportunities provide new challenges to organizations too. They might to expand, provide new services; in short, organizations have great opportunities to win competitive advantages (Chaffey et al., 2009).

The Internet provides tremendous opportunities to reduce the cost of information distribution to global audience. Internet marketing is a key element of developing successful electronic business (further e. business) marketing strategies for large and small companies. Internet marketing allows Lithuania and any other country's businesses to compete in international markets, saving money for traditional advertising. Moreover, internet marketing is orientated to individuals and the target users according to their hobbies or activities (Išoraitė, 2013).

**Scientific issue.** After the Internet transformed marketing, the business opportunities are increasing and internet marketing for business becomes one of the most important tools to reach competitive advantage. In order to reach it there is a need to determine the qualitative criteria of internet marketing that influence business and consumers. Thus, the problem is that the concept of internet marketing quality and the qualitative criteria are not determined by scientific literature as well as the practice, which makes difficulty to determine the effectiveness of internet marketing.

**The object of the research.** Qualitative criteria creation and implementation for internet marketing.

**Goal of the research.** After analysing the theoretical aspects of creation and implementation of qualitative criteria for internet marketing, after the global analysis, to develop the qualitative criteria for internet marketing, to propose internet marketing qualitative criteria application model and to provide the important recommendations.

The goal will be achieved through the following set of **tasks**:

1. To analyse theoretical aspects of internet marketing qualitative criteria.
2. To discuss the qualitative criteria aspects of internet marketing in the global environment.
3. To perform the qualitative study of experts regarding consumers' and business' approach of qualitative criteria developing for internet marketing.
4. Based on theoretical part and qualitative study results, to design the internet marketing qualitative criteria application model.

**The methods and resources of research.** The methodological framework is based on theoretical descriptive, comparative, analytical methods. These methods are applied to the analysis of the theoretical literature on internet marketing development in Lithuania and global market. Discussing the documents, which regulate the development of internet marketing, document analysis method is applied. In the third part the qualitative study was applied, which interviewed nine experts in internet marketing and related fields. The aim of qualitative study is to find out how the experts evaluate the qualitative criteria creation and implementation for internet marketing. This feedback helps to identify the problems faced by business developing internet marketing and the steps to be taken further to solve them. In order to analyse the qualitative criteria of internet marketing application possibilities, the model has been proposed.

**Research design.** The research consists of four chapters. In the first part of the research, theoretical aspects of development of qualitative criteria for internet marketing are analysed: the concept and evolution of internet marketing analysis, the problem determination of qualitative criteria for internet marketing and strategic trends. The result of this part will allow preparing for the second phase of the research. Next, the global market analysis is made: United Kingdom, United States of America and Lithuanian cases. The third section provides the interview analysis of experts regarding the internet marketing qualitative criteria development. In the fourth part the internet marketing qualitative criteria application model is designed. At the end of the research conclusions and recommendations are provided in order to improve the determination of qualitative criteria for internet marketing. The visual structure of the thesis is provided in Figure 1.

**Practical significance of the research.** The qualitative study shows the significance of the research, which was intended to determine the concept of internet marketing quality and distinguish the qualitative criteria for internet marketing development. The conclusions and



recommendations of the research has practical value, which will help in the process of internet marketing quality implementation.

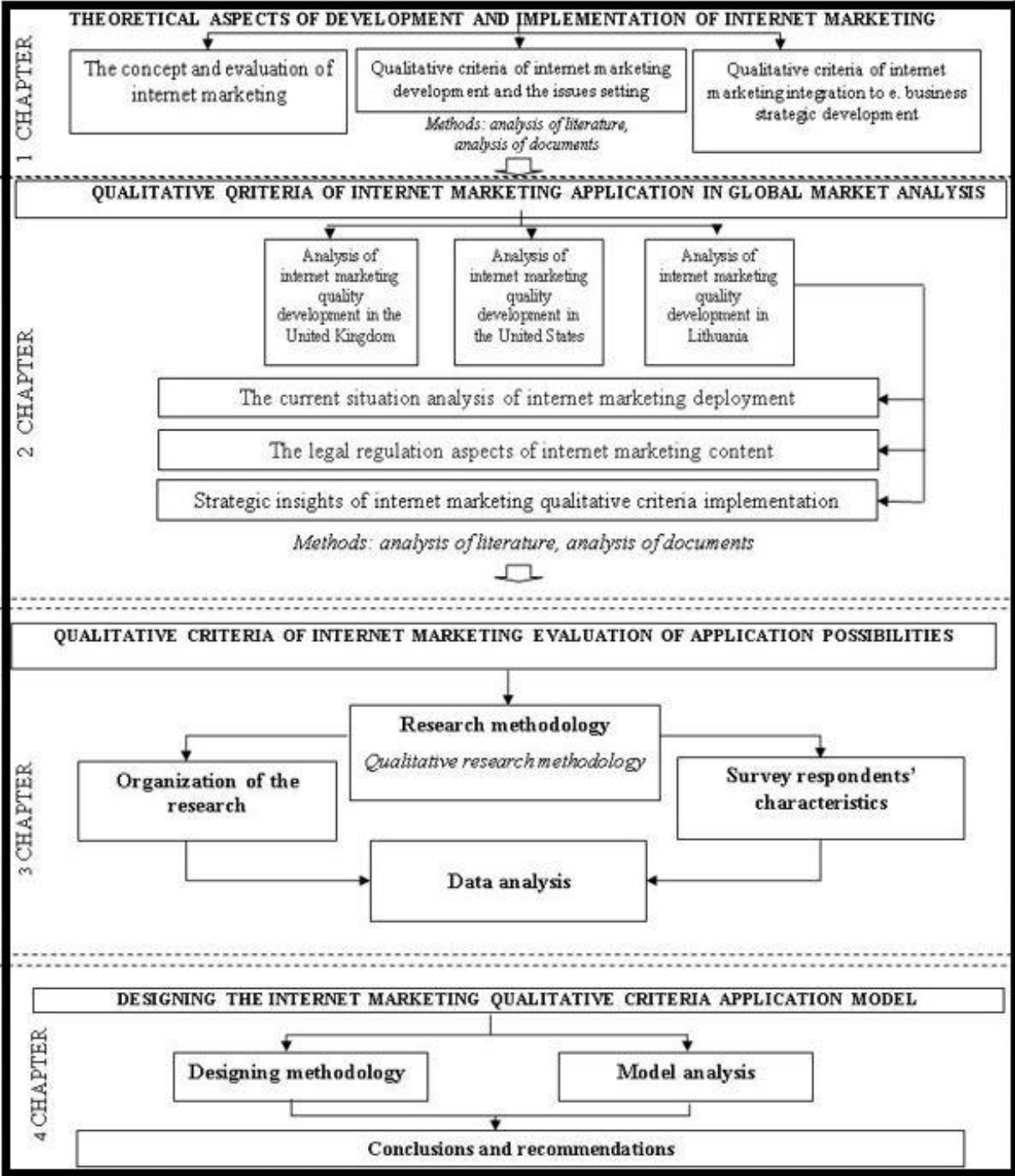


Figure 1. Visual structure of the thesis

# **1. THEORETICAL ASPECTS OF DEVELOPMENT AND IMPLEMENTATION OF INTERNET MARKETING**

Customers' behaviour has changed recently. More and more customers want to get the service anywhere and anytime which means that they are moving from traditional to online buying and searching. The customers have much more opportunities for choices of suppliers, prices, services and goods. Wide opportunities create big challenges to purchasers who are oriented to reach the customers. One of the main tool for purchasers is internet marketing and many elements of it such as advertisement, sales, content management, e-mail marketing etc. In order to internet marketing professionals reach target groups and meet their needs, new ways must be discovered (Limba & Gulevičiutė, 2014).

For deeper analysis of internet marketing field, the theoretical aspects of internet marketing will be discussed in the first chapter. The concept and evaluation of internet marketing, the problem of qualitative criteria creation for internet marketing and qualitative criteria of internet marketing integration to e. business will be analysed.

## **1.1. The concept and evaluation of internet marketing**

The concept of marketing is widespread in the world. On the one hand it has a significant value in terms of successful organizations' life. On the other hand in recent decade business strategy has changed and in order to satisfy more customers' needs it has moved to e. business. As a result, marketing has also moved from traditional to internet marketing. Although the concept of internet marketing is analysed much, but still there is no concept of internet marketing quality and qualitative criteria of internet marketing determination. Overall, there is a wide choice of internet marketing concepts such as:

- To the advertising industry it is about Internet advertising and its impact on driving Web traffic and brand building (Breakenridge, 2001).
- The application of the Internet and related digital technologies conjunction with traditional communications to achieve marketing objectives (Chaffey et al., 2009).
- Internet marketing is linked to as the marketing (generally promotion) of products and services over the Internet (Chaffey, 2014).

However, a core, unifying concept of internet marketing has not emerged.

In order to stay competitive the business must adapt to rapidly changing environment. The customers have many opportunities to choose and many of them moving online. Since the business goal is to attract more customers it had to transform its marketing activities from traditional to internet marketing. See the comparison of internet and traditional marketing below (see Table 1).

**Table 1.** Comparison of internet and traditional marketing

<b>Marketing activity</b>	<b>Traditional Marketing</b>	<b>Internet Marketing</b>
Advertising	A limited amount of information, print, publications, video and audio mass media.	Optimal amount of information materials and other publications on a personal website.
Customer service	5 days a week, 8 hours a day, service and repairs are made in person.	7 days a week, 24 hours a day, electronic dialogues based on remote control.
Selling	Personally, by phone, or direct selling including delivery of goods.	Delivery of goods through computer.
Marketing research	Surveys: individual, personal, or focus groups by phone or mail.	E-surveys or e-questionnaires.

Source: Išoraitė, 2013, p. 57, on the basis of Kotler, 2003

Internet marketing is becoming one of the most effective ways to satisfy growing consumers' expectations and to develop business. There are many forms of internet marketing, which enables companies to attract more users and affect their opinion. The functions of internet marketing are as follows:

- Improvement of a company image;
- Increase of audience volume;
- Possibility to choose the audience;
- An interactive relationship with costumers;
- Effective trade;
- Marketing dynamics (Išoraitė, 2013).

In order marketing objectives would be achieved, managers and academics apply Jeromy McCarthy's marketing mix called 4 Ps marketing mix. 4 Ps marketing mix is a combination of many factors which can be measured to meet the market needs and to simplify managerial activities (Kalyanam & McIntyre, 2002). According to McCarthy's 4 Ps marketing mix consist of: product, price, place and promotion. Every Ps cover a number of twelve managerial policies which are described by Borden in the early 1964, but adopted in marketing strategy till nowadays (see Table 2).

**Table 2.** McCarthy 4Ps and the 12 policies of Borden

<p><b>Product</b></p> <p><i>Product planning</i></p> <p><i>Branding</i></p> <p><i>Packaging</i></p> <p><i>Servicing</i></p>	<p><b>Place</b></p> <p><i>Channels of distribution</i></p> <p><i>Display</i></p> <p><i>Physical Handling</i></p> <p><i>Fact Finding And Analysis</i></p>
<p><b>Price</b></p> <p><i>Prising</i></p>	<p><b>Promotion</b></p> <p><i>Personal Selling</i></p> <p><i>Advertising</i></p> <p><i>Promotions</i></p>

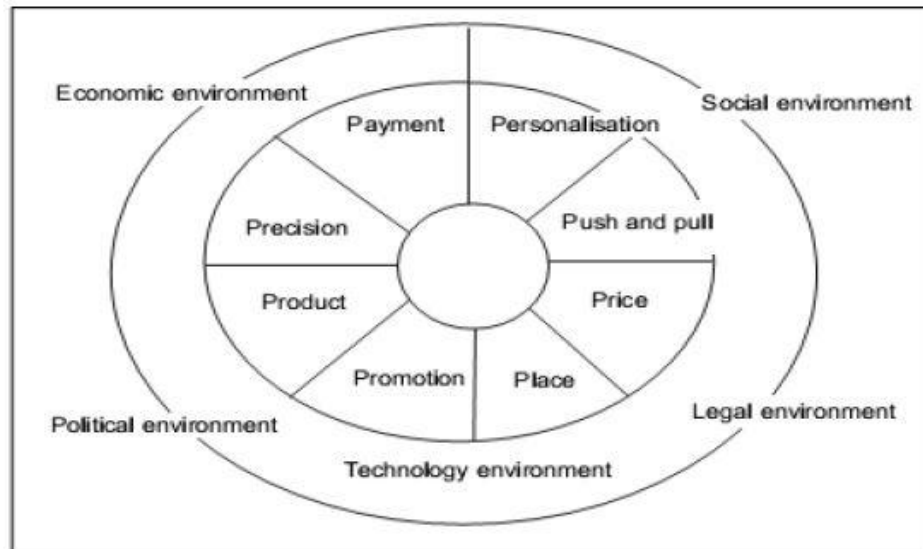
Source: Dominici, 2009, p. 7

In terms of twelve managerial policies, Borden (1964) explains that it is important to create: “1) a list of the important elements or ingredients that make up marketing programs; 2) a list of the forces that bear on the marketing operation of a firm and to which the marketing manager must adjust in his search for a mix or program that can be successful”.

The 4 Ps marketing mix was proposed for traditional marketing. Since the business environment has changed, two different approaches - the revisionists’ and the conservatives’ views originated. The conservatives claim that 4 Ps model might be adopted to new context of marketing (Möller, 2006). Contrary to conservatives, the revisionists state that 4 Ps marketing mix model is internally oriented and Schultz (2001) claims that today’s market place needs externally oriented model. Internet marketing strategy must be customer oriented and pay strong attention to the relationship with the customer, which is not according to internally oriented model (Propovic, 2006; Möller, 2006). A common view of all revisionists is that the most important focus must go to customer orientation and according to this view the 4 Ps marketing mix model is applied.

Authors offered some corrections to 4 Ps marketing mix. For instance, Lawrence et al. (2000) offered to add two more Ps: *people and packaging*; and include this mix to the concept of 5 Ps marketing model, which includes *paradox, perspective, paradigm, persuasion and passion*. Prandelli and Verona (2006) proposed 3 Cs model: *content* (Website and platform), *community* (interaction platform and relational capability) and *commerce* (including the 4 Ps: product, price, place and promotion).

Even more 4 Ps were proposed to add (*Precision, Payment system, Personalization, Push and Pull*) to already existing 4 Ps marketing mix (see Figure 2).



Source: Chen, 2006, p. 410

**Figure 2.** The 8 Ps' internet marketing mix model

Dominici (2009) describes additional 4 Ps in the 8 Ps' model:

- Database management systems provide the opportunity to increase accuracy of target segments determination and market positioning in digital context;
- Security and friendly-user environment – the components that must be ensured in payment systems;
- Personalization supports the adaption and determination to customers' needs and expectations;
- Push and Pull regards the choice of trade-off among active communication policies (push) and communication on users' demand (pull).

*In summary*, internet marketing is a rapidly growing area and has many benefits to customers and organizations. Customers might find easily and fast the product or service they need on the Internet and the business has the opportunity to attract more target groups and to maintain close relationship with already existing clients. However, the needs and expectations of customers growing every day, they want to buy fast, easily, anytime, anywhere. Thus, it is a challenge for companies to determine efficient internet marketing strategy and to apply it in the practice. In order to make more clear determination of what is the most important paying attention to internet marketing, in the next section the qualitative criteria of internet marketing will be analysed and proposed.

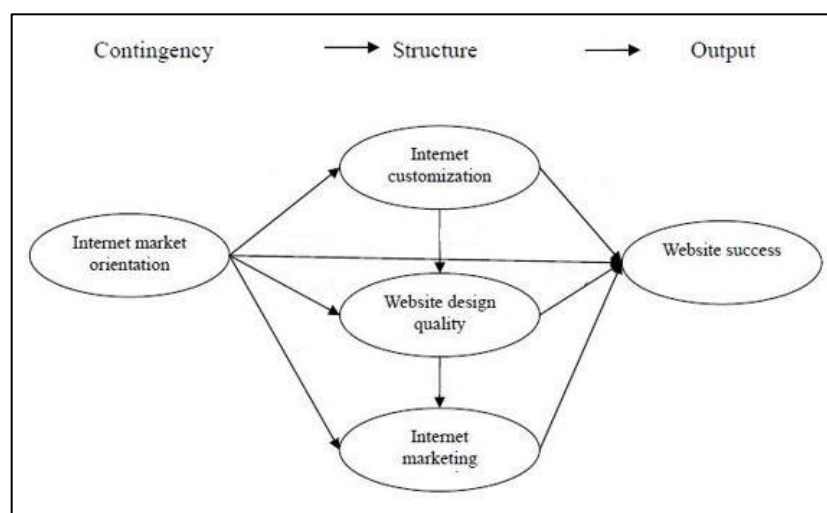
## 1.2. Qualitative criteria of internet marketing development and the issues setting

Neither internet marketing quality nor qualitative criteria of internet marketing are defined in the literature. Further, in the section the criteria, which would allow evaluating the internet marketing quality and benefits of internet marketing, will be analysed.

The novelty of internet marketing forcing the professionals of this area to look for new opportunities and to meet current and future customers' needs and expectations, which are often related intangible features such as trade mark, its' image and design, interaction with companys' image and reputation (Limba & Jurkutė, 2013).

Forbes (2012) announce that any business must admit the power of a great design for customers' experience. Design-oriented business has the advantage, because the first thing what customer pays attention to – is an image, design of graphic, brand, product, interior, web and service design etc. For instance, the customer knows quickly if he likes the design or not, if the Web site is good or bad. Design-oriented companies put design at the heart of their company to build innovation and to constantly improve products, service and marketing trends. They recognize that a great design guarantees the differentiation, customer loyalty and higher profits (Swann, 2012).

Wei-shang, Ruei-Shiuan and Hwang (2008) constructed the model (see Figure 3) of a website design model. The model was applied according to Fiedler (1967) model of contingency: Contingency -> Structure -> Output. The point of this model is that in order to react to the contingencies, companies must adapt their structure and strategies in order to reach the set of results.



Source: Wei-shang, Ruei-Shiuan & Hwang, 2008, p. 275

**Figure 3.** The website design model

Internet market orientation covers generation of information: collecting customers' information, development of customers' databases and responding to customers' demand. Since the

Internet has changed the customers' behaviour, business had to adapt to the changes and focus on individualized and convenient services such as search function development in order to preserve the customers' loyalty and to stay competitive (Srini, Anderson & Ponnayolu, 2002). Besides, the authors claim that Internet users assess the convenience and design of the website. Moreover, Lee and Kozar (2006) submit that companies which invest to flexibility of its' website can achieve corporate financial and performance of the website. The website must recognise the features of customers in order to make the enjoyable browsing on the website. Website design has important and positive influence to customers' satisfaction (Szymanski & Hise, 2000). Internet marketing is inseparable process, which helps to determine the target groups and provide information about products and services through the Internet to increase the sales.

Greenberg and Kates (2014) provide the common purposes of brand websites:

1. Inform the audience/Establish Expertise and Reputation: by presenting clear information on the website, the business builds confidence and trust.
2. Generate leads: a website is an excellent place to start conversation with the potential customer. Signup, collection forms make a good opportunity to collect valuable information.
3. Generate sales/E-commerce: Online purchasing is cheaper and faster for customers than traditional one.
4. Be found/Equalizer: search engine optimization (further SEO) takes important place in internet marketing, which must be developed for customers to enter the website from search engine results page.
5. Provide customer services: most of the times the website is the first place where customers visits to solve their problems.

Friedman (2008) states that the success or failure of a website depends on usability and utility, not the visual design. The author presents ten principles of effective web design, but before the application of the principles, the users' interaction with website must be determined:

- Users appreciate quality and credibility. Users pay attention to high-quality content and they are willing to overlook the design of the site.
- Users do not read, they scan. Users are looking for some fixed points or anchors, which allow quickly determine if the information in website is suitable for him or not (see Figure 4). The figure shows "hot" areas, which means users scan middle of the sentences.



Source: Friedman, 2008

**Figure 4.** The typical users' scanning process

- Web users are impatient and insist on instant gratification. The more user is forced to think and has less option to intuitive navigation, the more willing is to search other alternatives.
- Users do not make alternative choices. Users do not read pages sequential (see Figure 5). They choose the first reasonable option, which they think, can lead them to the goal.



Source: Friedman, 2008

**Figure 5.** Scan path of the given page

- Users follow their intuition. Most often users muddle through the given information. They do not need to understand how things work, as long as they can use it.
- Users want to control their navigation on website.

According to what was said above, Friedman (2008) presents ten principles of effective web design:

1. Do not make users think. The web page has to be obvious and self-explanatory. It is important that user would understand quickly the content and structure of the website.
2. Do not squander users' patience. The less actions user is asked to make and less private data to provide in the beginning, the better experience user will get from the website.
3. Manage to focus users' attention. The website has static and dynamic contents and some aspects such as images or bold sentences attract user more.



4. Strive for feature exposure. Websites with 1-2-3-done-steps or large buttons with visual effects are extremely effective and make user-friendly content.
5. Using effective writing:
  - short phrases;
  - scannable layout (categories in the content, bullet points, visual elements, bold phrases);
  - simple language (user needs objective reason why to use this product and why to choose this company).
6. Strive for simplicity. User does not visit the website in order to enjoy the design; the user needs information, so the goal is to keep simply instead of complex.
7. Do not be afraid of the white space. White space helps to reduce the cognitive load and understand the information provided on the website.
8. Communicate effectively with “visible language”:
  - Organize: consistency, screen layout, relationships and navigability – important parts of organization;
  - Economize: simplicity (elements, important for communication), clarity (components should be designed to avoid suggestively), distinctiveness (important elements should be marked); emphasis (the most important elements should be easily realized).
  - Communicate: for successful communication, the balance must be kept in, readability, typography, symbolism, multiple views, and colour or texture.
9. Conventions. The basic principles reduce the learning curve. The standard example is to translate website to Chinese language and give the task to usability tester (who does not know the Chinese language) to find something in the website. If conventions are well applied, the tester will be able to find information even if he understands nothing.
10. Test early, test often. This principle provides useful insights about the problems related to the layout.

Işoraité (2013) on the basis of Magdolna provides the opportunities of internet marketing:

- To easily build, develop and maintain the relationship;
- To manage customer service and conduct the customer surveys;
- To advertise online;
- To sell 7/24;
- *“Information, as a factor of competition, is acquiring now entirely new role”.*

From the communication viewpoint, the Internet provides many more channels to interact with the customer and to ensure the easy access to information (see Table 3).

**Table 3.** Emergent technologies for customer interaction compared with traditional business

Traditional Business	Internet Business
<p><i>Passive</i></p> <p>Sales records Customer gathering Poster Mailing list News poster Observation studies from competitors Customer feed-back records</p>	<p><i>Passive</i></p> <p>Cookies Chat rooms Bulletin boards and fan clubs Emailing lists News groups Observation studies through virtual reality and simulated environment Product-related discussion groups and lists</p>
<p><i>Active</i></p> <p>Customer gathering Poster Member club Surveys by mail or telephone Customer feed-back records Word of mouth</p>	<p><i>Active</i></p> <p>Chat rooms (hosted by seller) Bulletin boards (hosted by seller) Forums (hosted by seller) Internet surveys Product-related discussion groups and lists Recommender software</p>
<p><i>Interactive</i></p> <p>Mail Customer feed-back records Targeted groups Customer Interviews Surveys by mail or telephone Offline auctions Offline trade show Salesperson</p>	<p><i>Interactive</i></p> <p>E-mail Forums Online focus groups Interactive online interviews Survey panels Auctions Online trade shows Shopping agent</p>

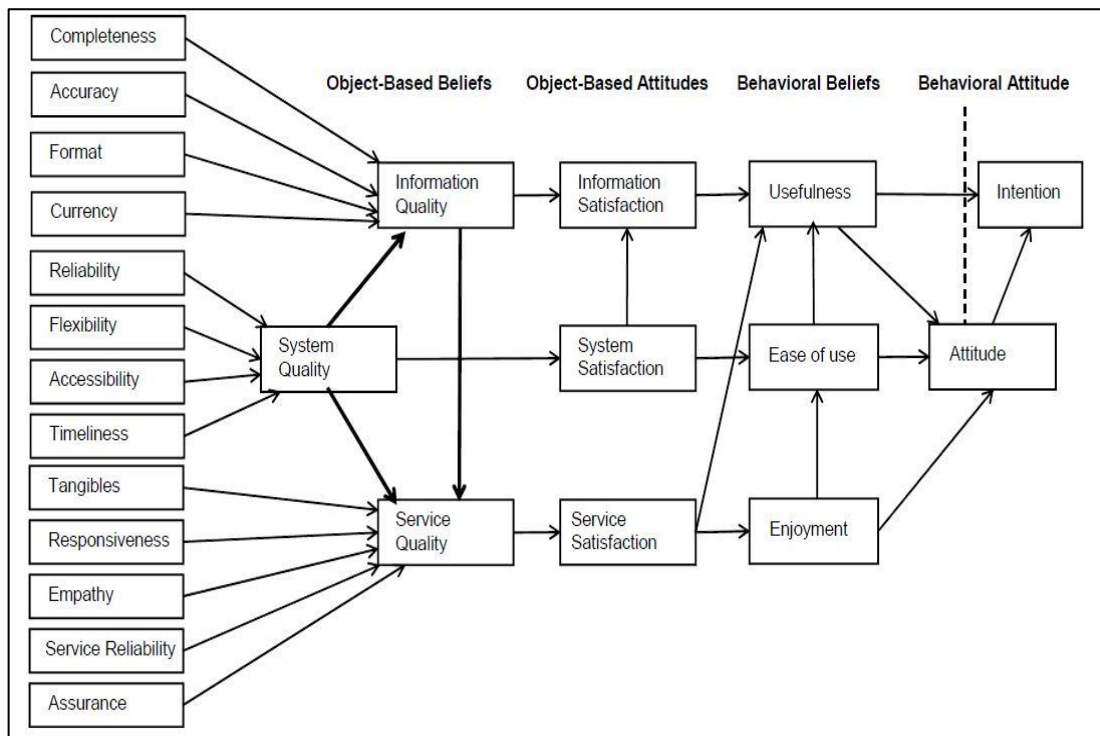
**Source:** Carol Xiaojuan Ou & Choon Ling Sia, 2003, p. 1736

From the Table 3 we can see that Internet has changed the communication according to interaction between the customer and website. Web functions such as chat rooms, forums, e-mail, online focus groups and other has changed the behaviour of customer. Now the access to information is much more convenient, accessible anytime and anywhere, as a result customers expect get qualitative information.

The authors (Iqbal, Khan & Naseer, 2013) also emphasize the importance of information. However, some authors emphasize not only importance of information quality, but include system and service quality as well (Sun, 2010):

- Information quality – the content of the website, its’ completeness, clarity, format. The user might easily find the information about product or service.
- System quality - defines e. business system desired characteristics: usability, reliability, feedback, availability, timeliness.
- Quality of service - quick responsiveness, reliability, empathy, customer orientation by selling the product or providing the service.

Based on Wixom and Todd’s (2005) prepared model of technology use, the 3Q model was proposed, which includes three main aspects of information quality, system quality and service quality (see Figure 6).



Source: Jingjun (David) Xu, Benbasat & Ronald, 2013, p. 777 – 794

**Figure 6.** 3Q model

The model separates the beliefs and attitudes about the system from the beliefs and attitudes about the using system. The model interprets that system quality explains the structural attributes of electronic commerce (further e. commerce) system: availability, adaptability, response time. Information quality captures the content, which includes factors such as completeness, accuracy, format, currency. Step back to qualitative criteria of design, which was discussed in the beginning, the literature of website quality says that system and information quality are important elements in the perception of website quality (Liu & Arnett, 2000).

Information security was and is an important issue on the Internet, especially the users' data protection. Identity theft is a dangerous and harmful to the person and to the public deed (Štītīlis et al., 2011). Currently it is one of the problems that affects customers' trust of Internet services. People do not trust and fear that their data in cyberspace may be unsafe and other people may use it, also the rising identity theft cases (Naujīkienė, 2012) reduce the trust of Internet. However, this is a huge challenge for internet marketing how to ensure customers that their data is protected and make the internet services trusted.

Limba and Gulevičiūtė (2014) provide the information as qualitative criteria of e. business and emphasize the importance of safety and security:

- Information security – the main tool to ensure the competitive against the other is to ensure security, integrity and secure business communications and information of customers. The key principle is to ensure that any information, which is sent, must reach the last recipient

with any changes. Information security is the key element to maintain the competitive advantage but also to satisfy legal requirements.

- Data protection – e. business must satisfy all the legal requirements about data protection which are:
  - Honest and lawful data processing;
  - Data collection and further processing only for legitimate specific purpose;
  - To maintain personal data collection and processing of the sufficiency and appropriateness;
  - To maintain the accuracy;
  - Do not store personal data longer than it is really needed;
  - To take actions in case to ensure data protection;
  - Data cannot be transfer to the third parts, unless it can ensure data protection (Iqbal, Khan & Naseer, 2013).

Overall, information quality and secure through variety of media distribution channels, which will be more discussed in the section 1.3., should be an important aspect in the field of internet marketing quality and qualitative criteria setting.

Chaffey (2009) claims that the term “internet marketing” is the combination of Internet and traditional mass media tools to attract more customers and to meet their needs. In addition, the authors state that Internet technologies can be used to maintain the following goals:

- To set out how Internet technologies can be adapted to the purposes of marketing researches in order to meet the needs of customers;
- To provide more Internet channels where consumers could have great flexibility opportunities for goods and services searching and purchasing.
- The most successful internet marketing factor to meet the needs of customers is **satisfaction**.

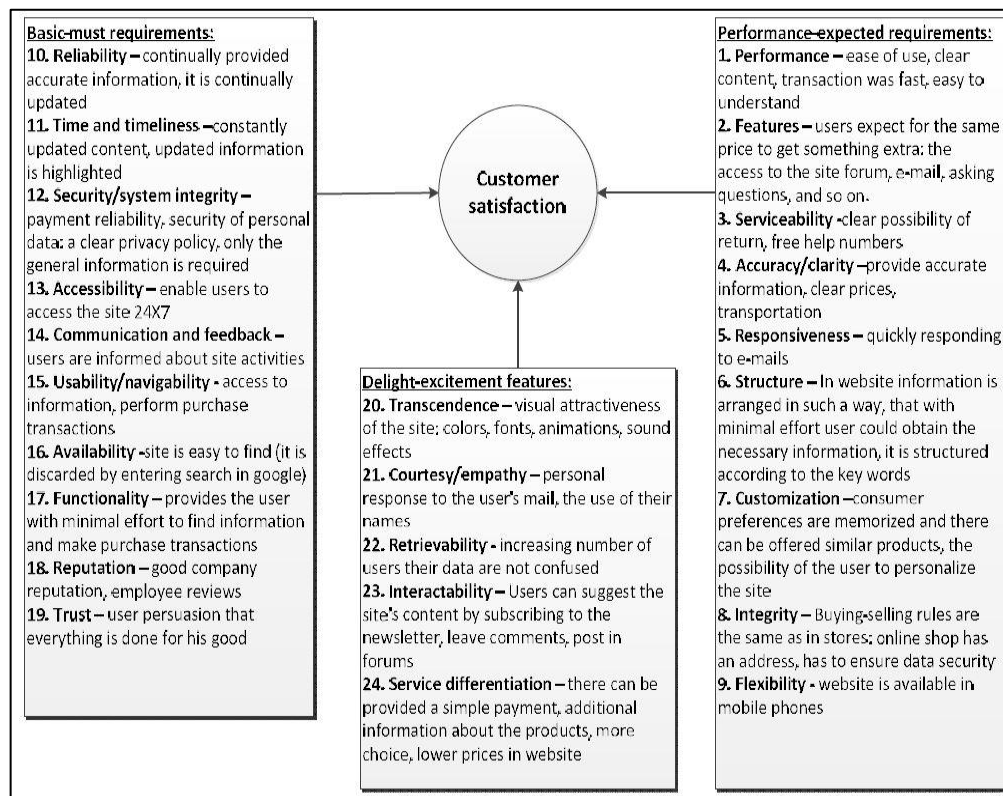
Customer satisfaction is an important element in marketing practice and most companies admit that customer satisfaction is necessary “strategic imperative” (Mittal, Vikas & Frennea, 2010). On the one hand Hauman et al. (2014) confirm that customer satisfaction has a positive influence for customer loyalty and customer willingness to pay. On the other hand, customer satisfaction affects customers for a short time period because business operates in a very competitive environment. Because of that, companies must build long-term relationship with customers and pay attention to customer-company identification, which is described as the feeling of belongingness to an organization<sup>1</sup>. The customer-company identification positively affects customers’ in-role and extra-role behaviours, loyalty and willingness to pay (spending). Moreover,

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<sup>1</sup> The feeling of belongingness does not refer to customers’ formal membership in the organization.

the customer-company identification is an active, selective and volitional psychological process in which customer selects the company by its' own desire, the competitors meet the problem to attract identified customers (Sen, 2003).

Limba and Gulevičiūtė (2014) analysed the e. business qualitative criteria application, where one of the criteria customer satisfaction was included. The authors based on Mohanty, Seth and Mukadam (2007) source have applied customer satisfaction, which could be equally adapted between internet marketing qualitative criteria. (see Figure 7).



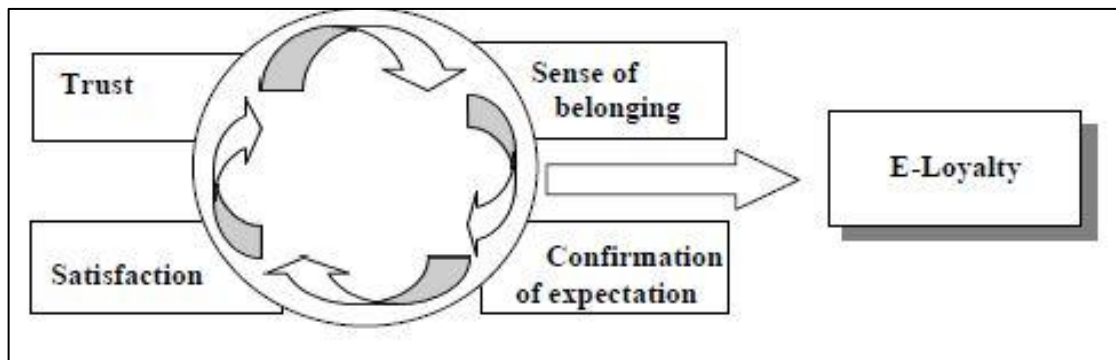
Source: Mohanty, Seth & Mukadam, 2007, p. 224-237

**Figure 7.** Customer satisfaction: quality dimensions

The source presents three types of requirements: basic-must requirements that internet marketing must adapt to ensure customers' satisfaction. Delight-excitement features that customer does not expect, but internet marketing specialist must to ensure they are, because they provide more satisfaction to customer. In addition, the third part of requirement include performance-expected requirements, which means that every customer expects it. E. business is based on customer orientation, because it is important to recognize customers' needs and expectations to maintain the competitiveness and **customers' loyalty**.

The topic of loyalty has been widely analysed for decades. Electronic loyalty (further e-loyalty) is the continuation of the traditional loyalty to e. commerce. E-loyalty is the customers' loyalty to electronic retailer (further e. retailer) (Turban et al., 2002). From this view of point, there is no important difference between customer loyalty and customer e-loyalty. Carol Xiaojuan and

Choon Ling Sia (2003) connected four factors, which are described as four staged perceptual elements, which form the customers' loyalty: confirmation of expectations, satisfaction, trust, sense of belonging. The authors combined the e-loyalty wheel of those four factors (see Figure 8).



Source: Carol Xiaojuan & Choon Ling Sia, 2003, p. 1738

**Figure 8.** E-loyalty wheel

Expectation is the first step when customer is in the process of decision making to purchase or not. The Internet provides more convenient to customers – they can easily reach the vendors' information about brand, reputation, and product or service evaluation. The Internet provides wide option opportunities for customers so their expectations are increasing more and more. In order to satisfy customers' expectations companies need to improve their offerings. However, it is important to mention that companies must promise only as much as they really can implement, otherwise customers will get the dissatisfaction.

Satisfaction is the result of customers' experience during the purchase (Kotler, 1997):

1. Excitement;
2. Searching of information;
3. Alternative evaluation;
4. Decision of purchase;
5. The behaviour after purchasing.

In terms of online transactions, satisfaction is measured according to customers' behaviour on the website. The customer stays longer on the website and search for information. As a result, the chance of repeated buying is growing.

Trust is an important element in e-loyalty wheel (Gefen, 2002). When the customers are satisfied about online purchase, the products or services, they are more willing to trust the vendor later. The chance of sharing the information with the vendor, the decision of using the service again and accepting further offers of the vendor is increasing.

Sense of belonging is the continuation of trust. This emotional connection is treated as high solidarity. If the customer comes to this stage, the possibility of re-purchase is increasing

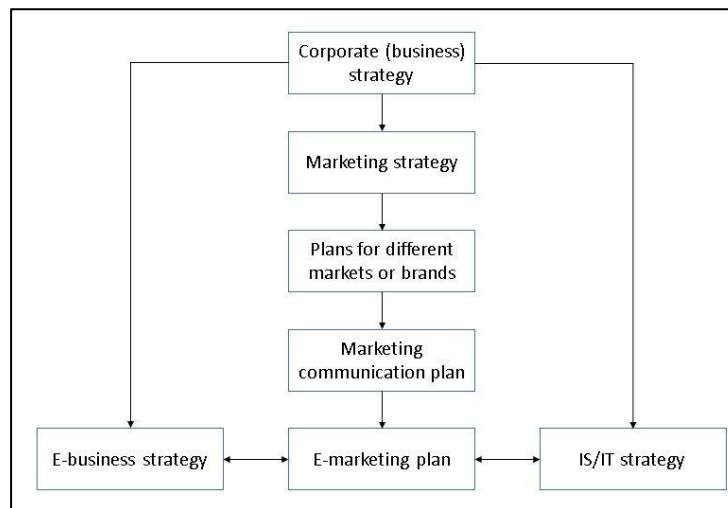
much more and the loyalty is formed exactly in the stage of sense of belonging. Moreover, if the vendor builds the online community, the customers will be more willing to attend it and makes them feel committed to online vendor. The positive feedback from the online communities will increase the chance of re-purchasing; moreover, the members will be less afraid of sharing the personal information with the vendor. Getting the personal information is very important to the company, because it is the best way to build an effective loyalty programs and maintain the relationship with customer (Carol Xiaojuan & Choon Ling Sia, 2003).

Haumann et al. (2014) also highlight the importance of effectiveness of loyalty programs. They state that “*competitive actions such as competitive advertising influence the success of loyalty programs to maintain customer loyalty over time*” (p. 96).

**To sum it all up**, different aspects, which influence the success of internet marketing, are analysed: brand, website design, level of reputation, accessible, accuracy, flexible information, secure information and data protection, customer satisfaction, expectations, trust, loyalty etc. In order to abridge the aspects, the four main criteria, which authors analyse, have been determined: design, information distribution channels (read more in section 1.3.), customer satisfaction and customers’ e-loyalty.

### **1.3. Qualitative criteria of internet marketing integration to e. business strategic development**

Internet marketing is the key element (see Figure 9) for e. business to attract customers and determine the solutions in order to maintain relationship with existing and future customers. The Figure 9 explains the relationship between internet marketing and e. business. Because of connection of those two areas, it is very important to analyse the e. business development and how qualitative criteria of internet marketing could be integrated to e. business.



Source: Chaffey, 2007, p. 337

**Figure 9.** The e-marketing plan in the context of other plans

IBM representative Louis Gerstner proposed the term of e. business in 1996. The emergence of technological and economic factors such as personal computers and the prevalence of individual technologies, Internet technologies, and the globalization of business caused e. business. The literature provides different e. business definitions (see Table 4). Especially intertwined e. commerce and e. business concepts, although the vast majority of authors point out that e. commerce is part of e. business (Turban et al., 2002).

**Table 4.** The definitions of e. business

The concept	The author	Year
E. business is the only business via electronic networks, in order to convert business processes or create a business system that supports connectivity with existing and future customers.	Parreir	2005
E. business - the company's employees, customers, suppliers and their business automation partner interactions involving both the companys' internal and external processes implemented between companies.	Pauliulis, Pabedinskaitė, Šaulinskas	2007
E. business - is business' transactions and enterprise activities organized using the information technology for data transmission in networking environment.	Guseva	2010

Source: Prepared by author based on mentioned authors.

Summarizing the definitions (Table 4) it can be said that e. business is the business through electronic networks to transform the business processes or business system in an electronic system for more potential virtual users attracting, and competitiveness increasing.



The Personal Finance and Business Advisor (2015) provides advantages (see Table 5) and disadvantages (see Table 6) of e. business.

**Table 5.** The advantages of e. business

<b>Advantages of e. business</b>	<b>Explanation</b>
Cost effective	Financial transactions are becoming electronic and the conversions will be lower on costs. As a result, e. commerce payments are a lot cheaper.
Higher Margin	E. commerce provides higher margin for more safety business, higher control and flexibility. Moreover, e. commerce saves the customers' time.
Better Productivity	Productivity has a meaning for both customers and companies. Customers lately have big expectations and needs, its' convenient searching for information online because of time and costs saving. For companies it costs a lot cheaper as well.
Quick comparison	E. commerce provides the opportunity to compare prices between different vendors. Customers have a <i>smart shopping</i> opportunity and save money during the shopping.
Economy benefit	E. commerce allows making transactions online, without going to the store, infrastructure investment etc. Companies need well build website and developed customers' services.

**Source:** Prepared by author based on The Personal Finance and Business Advisor, 2015.

**Table 6.** The disadvantages of e. business

<b>Disadvantages of e. business</b>	<b>Explanation</b>
Security	Customers need trusted provider of payment method. Web stores must have great level of integrity and reputation in order to win the trust of customer.
Scalability of System	A well-designed website is definitely essential element in order to attract customers.
Integrity on Data and System	Customers pay strong attention to their information security. Some part of customers still do not buy online only because are afraid of personal information distribution to third parties.
Products People	The buyer cannot touch the product. Touching is one of the channels to get the information. If customers focus on product much, they will not buy online.
Customer Service and Relation problem	Sometimes companies forget the importance of loyalty programs, without them business will not be successful.

**Source:** Prepared by author based on The Personal Finance and Business Advisor, 2015.

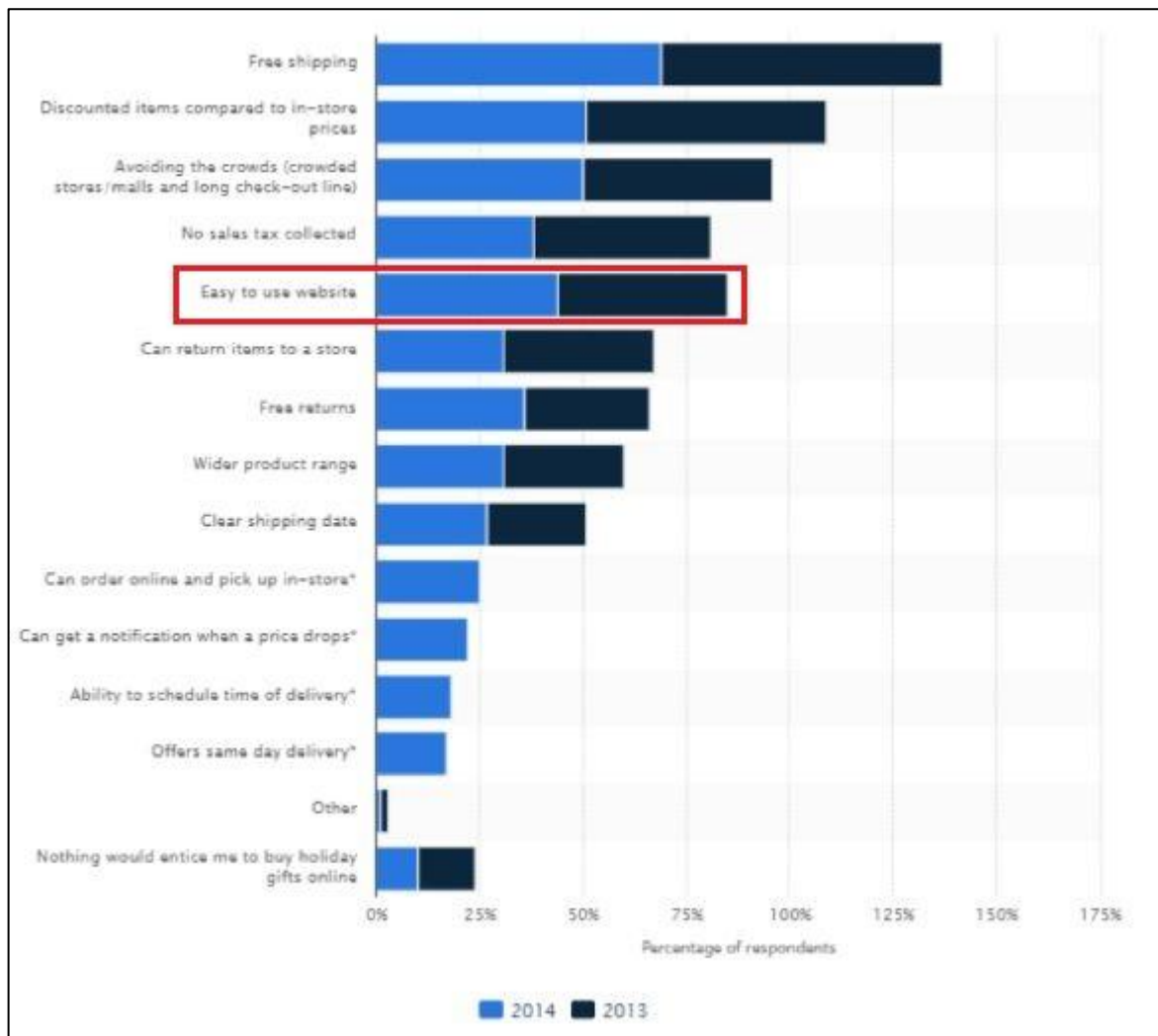
Advantages of e. business could be named as the benefits of e. business, while the disadvantages of e. business – the problems. Five problems above are the most mentioned between organizations and authors that e. business usually meets.

For instance, Al-Weshah and Al-Zubi (2012) in Jordan, professor Waghmare (2012) from India especially highlights the security problem. Waghmare states that people from India are still afraid of purchasing online; because of thinking, they can be deceived. On the other hand, some authors such as Zilber and Arasjo (2012), Al-Weshah and Al-Zubi (2012) reports technological barrier. They say that it is not enough trainings how to start e. business and teach employees how to work with the Internet. As we can see, such problem as security was relevant few years ago and is relevant now, so it can be concluded that it is one of the main problems in the process of e. business development.

Each year business sites analysing the trends of e. commerce. In order to be efficient and run business in a right direction, it has to follow the trends. E. commerce platform (2015) between ten of e. commerce trends of 2015 mentioned the designing importance. More textual content leads to convince the user to become a buyer and attracts to become a future customer.

Every company should develop the website. Especially, a well-designed website grants the customer to find the company whenever they trying to do it. A great content of the website helps customer to find it through search engines. Moreover, the website most of the times is one of the first touchpoints though which the potential customer will start building the trust with the company (Greenberg & Kates, 2014).

The site Shipware (2015) provides the statistics of factors, which influence the customers to buy online (see Figure 10). In addition, the statistic shows that easy of website usability takes place between first five factors, which influence the customer to buy online.

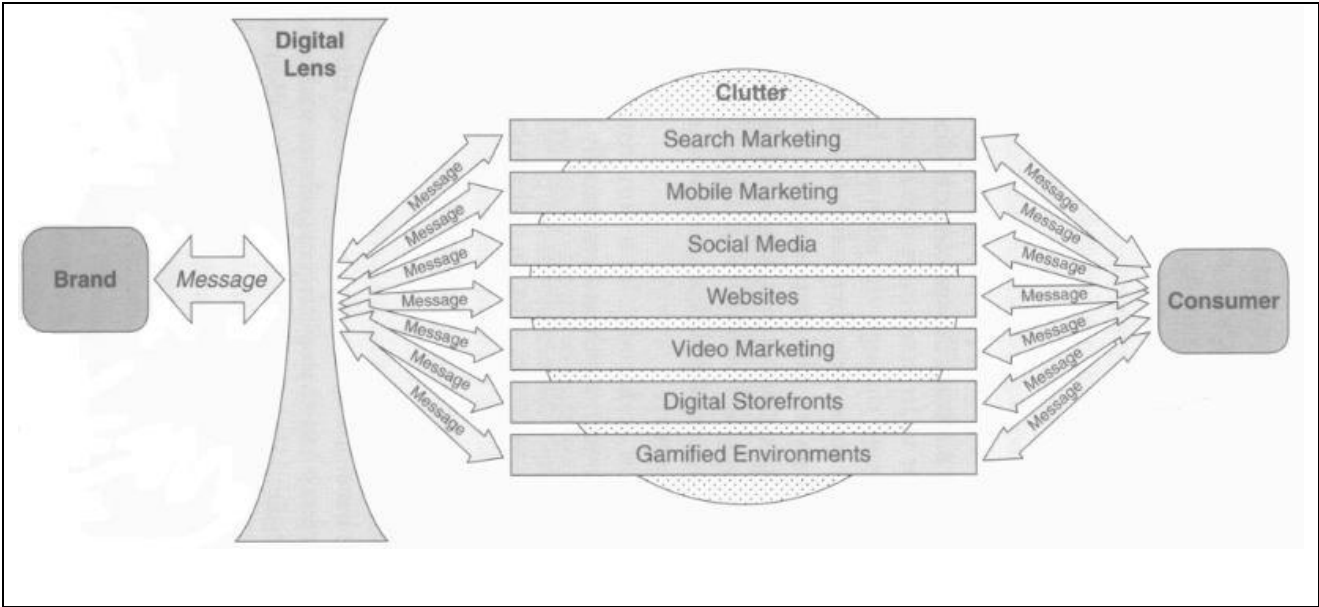


Source: Gilmore, 2015

**Figure 10.** Factors that influence to buy online

One of the problems of e. business that was mentioned – integrity data and systems. It was said that people are still afraid of using e. commerce because of fear that their personal information can be used for illegal purposes. However, business is working on this issue. E. commerce platform (2015) and business site aheadWorks (2015) highlights the big data, analytics and especially personalized marketing issues. The information and needed data about customer helps to understand customers’ behaviour and expectations, which needs to be satisfied. Moreover, the big data and other available resources may develop more personalized experience for customer, which could create more confidence of business. *“Going forward to meet the needs, desires and preferences of their target audience, retailers will place more emphasis on providing relevant content generated on the basis of previous searches and make every step of the shopping experience way more personalized and focused on one target audience”* (Wells, 2015).

The concept of information is a wide regarding internet marketing. From the perspective of customer, they need to be sure about their personal information security and they want to see clear information about prices, shipping dates, returns policy, get the notifications about changes on prices (see Figure 10). In addition, the customers want to reach the information through different channels, which means through convenient ways to customer (see Figure11). From business perspective, information is also very important. It must ensure the confidence for collecting information about customer in order to use it for future perspectives and create personalized internet marketing. The variety of distribution channels help business to collect more requisite information about the customers and build the personalization.



Source: Greenberg & Kates, 2014, p. 6

**Figure 11.** The digital media channels for customers’ reaching

Search marketing, mobile marketing, social media, websites, video marketing, digital storefronts and gamified environments are the most mentioned between the e. business and internet marketing trends in 2015 and 2016.

For instance, business site aheadWorks (2015) and e. commerce platform (2015) pays especially strong attention to mobile age. The number of people who access Internet via smartphone, tablets and other mobile devices is increasing (see Figure 12).

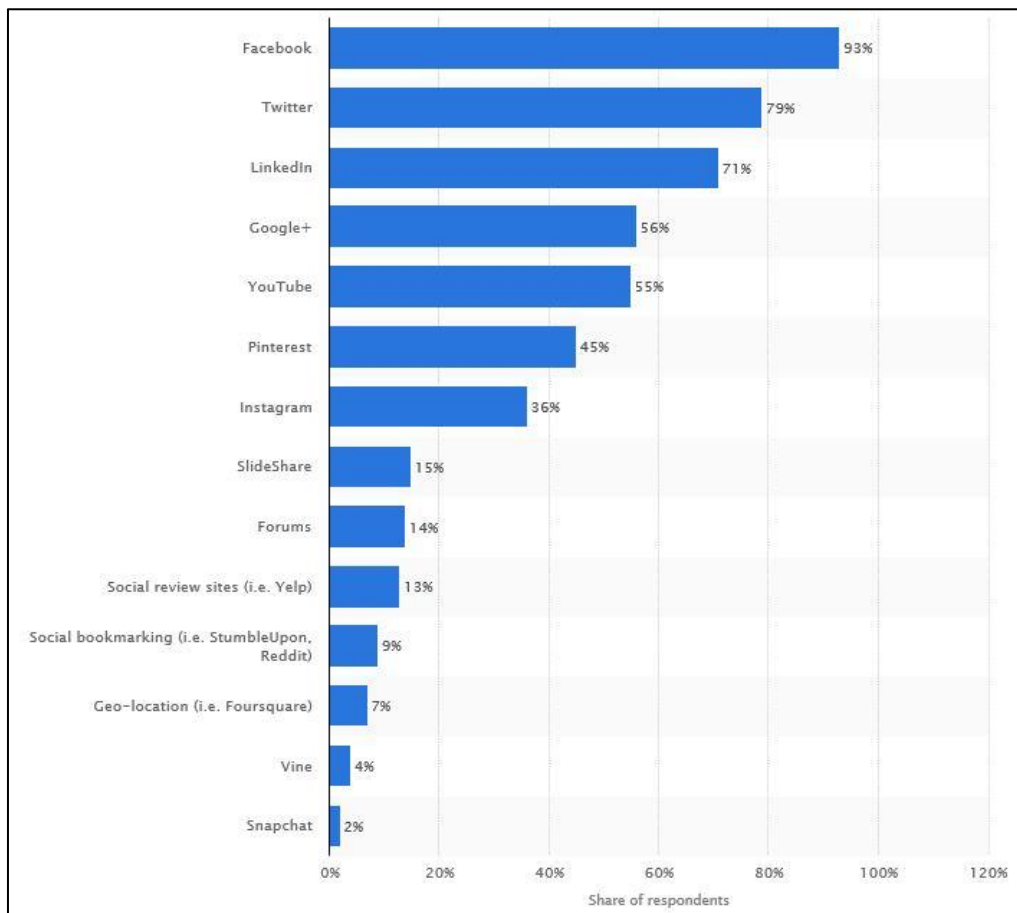
<b>Mobile Phone Internet Users and Penetration Worldwide, 2012-2017</b>						
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Mobile phone internet users (billions)</b>	<b>1.58</b>	<b>1.91</b>	<b>2.23</b>	<b>2.50</b>	<b>2.75</b>	<b>2.97</b>
—% change	37.4%	20.7%	16.5%	12.2%	10.0%	8.0%
—% of mobile users	38.8%	44.1%	48.9%	52.4%	55.5%	57.8%
—% of internet users	66.8%	73.4%	79.1%	83.6%	87.3%	90.1%
—% of population	22.6%	27.0%	31.1%	34.5%	37.5%	40.1%
<i>Note: mobile phone users of any age who access the internet from a mobile browser or an installed application at least once per month; use of SMS/MMS is not considered mobile internet access</i>						
<i>Source: eMarketer, Dec 2013</i>						
166972 <span style="float: right;">www.eMarketer.com</span>						

Source: eMarketer, 2014

**Figure 12.** Mobile phone Internet users and penetration worldwide, 2012-2017

According to eMarketer report (2014) the mobile phone penetration will increase from 61,1% to 69,4% between 2013 and 2017. For coming years the mobile online sales are going to increase up to 25% of the total number (Kliashforska, 2014). It is the reason why business, which wants to focus on the needs of customers has to think about apps creation and implementation, and about mobile-friendly sites.

Social media channels is a very important element for many kinds of business and for development of internet marketing and reaching the potential customers. According to aheadWorks (2014), US social commerce sales of goods through online social networks are projected to grow by 93% per year and going to reach \$14 billion by 2015. The huge numbers confirm the importance of investing to social media. Social media such as Facebook, LinkedIn, Twitter, Google+ etc. are the points where business has the opportunity to reach customer, to promote and encourage. The statistic of Figure 13 presents data of May 2015 on social media platforms used by marketers worldwide to promote their business.



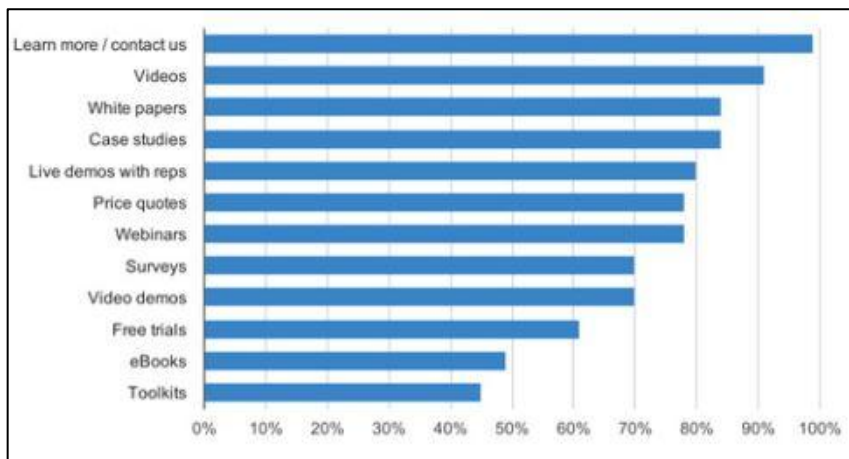
Source: Statista, 2015

**Figure 13.** Social media platforms used by marketers worldwide as of May 2015

According to Statista (2015) “Facebook” is the most popular social website in the world, which has collected huge amount of information. Profiles in this social network has one sixth of the world population, while at the same time several million people around the world use “Facebook”.

“Facebook” has become an excellent medium to promote business and attract a large part of potential customers. “Facebook” has more than one milliard active users and the numbers are increasing by every year (Sullivan, 2015).

Video-based marketing is exploding online. Becomes clear to online stores and vendors that video marketing leads to higher conversions. In fact, online video is getting strength as a source for content marketing. According to Eloqua, CMO.com (Adobe’s content site that provides digital marketing news for senior marketing executives around the world) and Software Advice (online advisory that provides best practices to help business finding the right software) the survey of percentage of marketers using each content or offer, was made (see Figure 14). The survey presents that most of respondents prefer video opportunity to many others.



Source: Forbes, 2013

**Figure 14.** Percentage of marketers using each content or offer

Limba and Gulevičiūtė (2014) presented customer satisfaction as one of qualitative criteria of e. business. In terms of quality determination of internet marketing customer orientation is very important, because without customers any business will be run. Customer satisfaction is based on the following requirement:

- *“Easy to use (Website Design)*
  - *How does the website look like?*
  - *Customer confidence (How is guaranteed?)*
  - *Direct resources (ability to offer and deliver products and services);*
  - *Bridging services (how is interacting with customers and maintaining their loyalty?)”*
- (Limba & Gulevičiūtė, 2014).

The first four requirements are the ones, which were discussed about design importance, clear and secure information through distribution channels of information and services or products. The last – bridging services, which determine the loyalty and its’ maintaining directs us to another criteria of e. loyalty.

As one of the problems, that e. business meets the customer service and relationship was mentioned. Some companies forget the importance of loyalty, without which none of the business would be successful. Considering business site Open to export, which provides e. commerce strategy trends for 2016, customer e-loyalty is a value that business should pursue. The numbers do not look high, but in 2010, 9% of online shoppers belonged to loyalty programs, and after one year in 2011, it grew up to 12%.

Loyalty programs have a perspective potential. Loyal customers are rewarded by special offers and unique sales opportunities. Moreover, this is a way to show that business is

following the customers' behaviour and satisfying the needs and expectations. Loyalty programs is the chance to build online community around the brand (Wells, 2015).

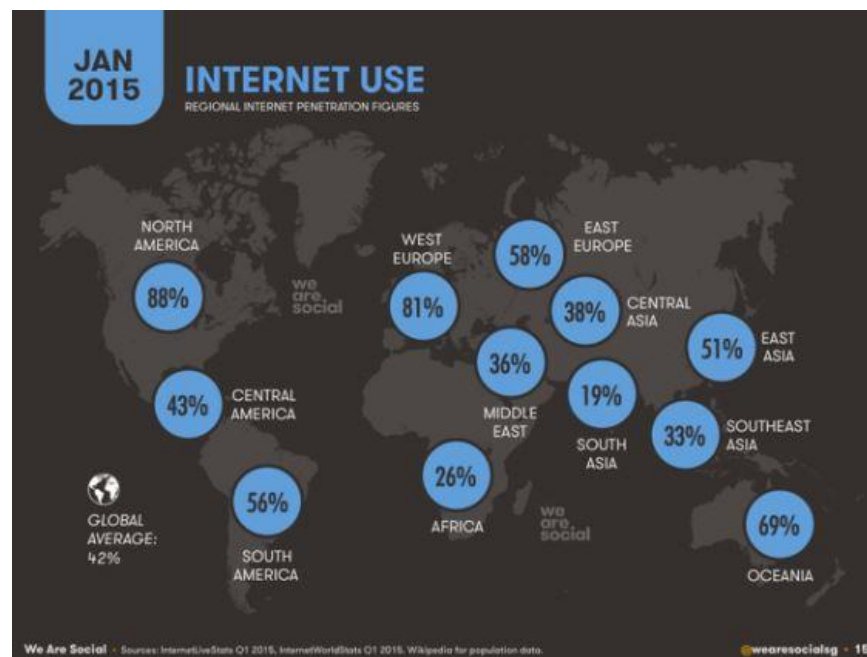
In terms of qualitative criteria of internet marketing integration to e. business strategic development, the important indicator should be mentioned – return on investment (further ROI). Internet marketing is an investment to e. business development and it is important to highlight that any criteria might be used to achieve the goals, but also the measurement process of performance should be included. Otherwise, the criteria which do not generate positive ROI would become useless.

***In conclusion***, internet marketing is the part of e. business, so these two areas cannot be distinguished. Internet marketing is a tool for e. business to reach the goals. Precisely because of it, even some of quality criteria could be adopted to both areas. After the criteria are analysed it could be said that most of it, from both perspectives of e. business and internet marketing are customer oriented: design, distribution of clear and secure information through variety of digital media channels, customer satisfaction and customers' e-loyalty. The criteria are adapted to the needs of customer, because otherwise could not be – without customers and their satisfaction internet marketing would be worthless and e. business could not reach the goals and generate positive ROI.



## 2. QUALITATIVE CRITERIA OF INTERNET MARKETING APPLICATION IN GLOBAL MARKET ANALYSIS

With the growing technical and technological opportunities, the penetration of the Internet is increasing. In fact, this process is continue to grow worldwide. Half of billion new users have been connected to the Internet in 2014, which brings us to 3 billion web surfers worldwide. In the beginning of 2014, 35% of the world had access to the Internet, while in January 2015 the number had increased to 42%. Figure 15 shows that more than 80% of the population in the North America and West Europe, 50–60% in East Europe; South America and East Asia, almost 70% in Oceania have the access to the Internet.



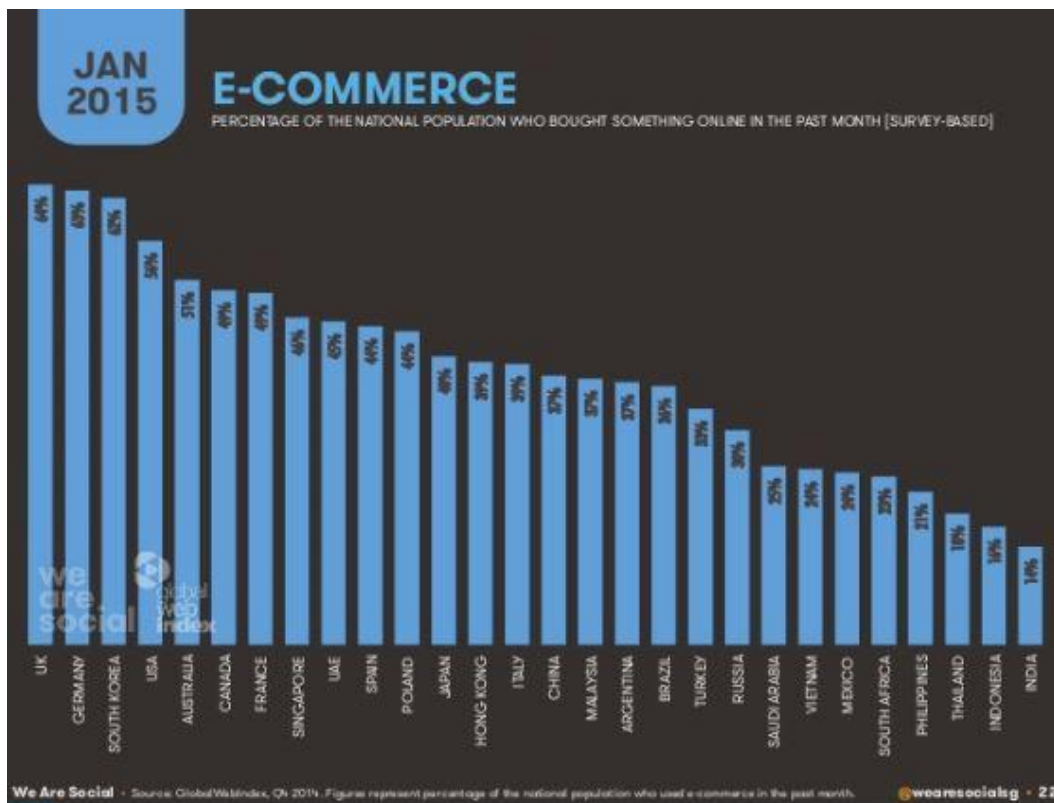
Source: Kemp, 2015

**Figure 15.** Internet use in January 2015

The statistic shows an impressive penetration of Internet in the world, which also explains the need of e. business development. Since people are going online, want to search and buy, find the information online etc., business adapts to the changes and tries to attract customers. Thus, the internet marketing became a global discussed topic. Small and big size enterprises include internet marketing to the business strategy in order to make it more innovative and to follow customers' needs and trends of marketing and business.

## 2.1. Analysis of internet marketing quality development in the United Kingdom

United Kingdom (further UK) is the country of the West Europe, which has one of the biggest numbers of Internet usability. According to the statistic of “We are social. Digital, Social & Mobile, 2015”, UK takes 5<sup>th</sup> place of Internet use among the countries worldwide. Therefore, according to the numbers above, it is not surprising that UK also takes the 1<sup>st</sup> place in the world of e. commerce development (see Figure 16).



Source: Kemp, 2015

**Figure 16.** E-commerce development in the world

According to the numbers, UK is one of the leaders in the e. commerce world. Therefore, this country will be analysed deeper accordance with the criteria set out in the theoretical part: design, online distribution channels, customer satisfaction and e-loyalty.

Not only business, but also the UK government pays strong attention for satisfying the users. The official Gov.Uk site provides a list of the main design principles and examples how to use them:

1. Start with needs. The design starts with identifying the needs of user: doing research, data analysis, and users' surveys.
2. Do less. Every area has to do what only it can do. For instance government should concentrate for its' work and the business work for its' purposes.

3. Design with data. The experience from others has to be taken and used, do not make guesswork.
4. Do the hard work to make it simple. The usability of systems have to be simple, the same as the look.
5. Iterate. The best way to create good system is to start from small and repeat it wildly. Testing with the users, adding necessary features deleting the things that do not work, the feedback of users is mandatory.
6. This is for everyone. Good design is accessible design. It should be inclusive, legible and readable.
7. Understand context. The designing is for people, not for the screens. Before creating system for the users, the context must be analysed: where the users using the system, is it on the mobile or web, are they familiar with social media etc.
8. Build digital services, not websites. The digital world must be connected to real world. The aspects of services must be analysed and it has to meet users' needs.
9. Be consistent, not uniform. When the elements that work is found it should be used, but it does not mean it cannot be changed in the future in order to adopt to users.
10. Make things open: it makes things better. Sharing the ideas, designs, intensions, failures with the colleagues, users and the world. The more attention the system gets, the better it might become.

There are worldwide known companies in UK. Below you can see the Tesco - a well-known company in Europe, which takes a place between world companies that generates most revenue from e. commerce (see Figure 17).



Source: Hassan, 2015

**Figure 17.** Top 10 e-commerce companies in the world

Although Figure 17 shows that Tesco is in 8<sup>th</sup> place between the companies of generated revenues, but it has developed great features of internet marketing, which are adapted to meet users' needs. One of Tesco value is try hard for customers: understand customers, meet their needs and be responsible for them. In order to better customers understanding Tesco provides online business model (see Figure 18).

TESCO ONLINE BUSINESS MODEL				
<b>Key Partners</b> <ul style="list-style-type: none"> <li>Suppliers and businesses at a regional and local level</li> <li>Local joint ventures</li> <li>Associations</li> </ul>	<b>Key Activities</b> <ul style="list-style-type: none"> <li>Buying and selling consumer goods.</li> <li>Effective distribution system</li> <li>Collect feedback suggestion and information</li> <li>Analyzing consumers demand and traffic</li> <li>Warehousing and Logistics</li> </ul>	<b>Value Proposition</b> <ul style="list-style-type: none"> <li>Wide selection variety combined</li> <li>By 7/24 shopping experience</li> <li>Safe online buying</li> <li>Personalized shopping experience for cardholders</li> <li>Home delivery or collecting from preferable Tesco store</li> <li>Convenient shopping – no lines</li> </ul>	<b>Customer Relationships</b> <ul style="list-style-type: none"> <li>Long-term relationship</li> <li>Identify and Retain loyal customers Clubcard</li> <li>Attract more consumers</li> <li>Listen to consumers in a number of ways</li> </ul>	<b>Customer Segments</b> <p>Mass Market segmentation:</p> <ul style="list-style-type: none"> <li>Low – middle Income</li> <li>Easy going, traditional lifestyle</li> <li>Student</li> <li>Housewife</li> <li>Older people</li> <li>Tesco.com Subscribers</li> </ul>
<b>Key Resources</b> <ul style="list-style-type: none"> <li>Web site and accounts on various digital platforms</li> <li>Access to Clubcard holders data</li> <li>Warehousing and logistics</li> <li>IT infrastructure</li> </ul>				
<b>Cost Structure</b> <ul style="list-style-type: none"> <li>Staff</li> <li>IT Infrastructure</li> <li>Warehousing and logistics</li> <li>Capital Expenditure</li> </ul>		<b>Revenue Streams</b> <ul style="list-style-type: none"> <li>Sale of goods</li> <li>Home Product Delivery</li> </ul>		
<b>Channels</b> <ul style="list-style-type: none"> <li>Stores</li> <li>Tesco's website</li> <li>Social Media (Twitter, Facebook, )</li> <li>Mobile application</li> <li>Dedicated websites e.g. tesco.plc.com, tescomedia.com, etc</li> </ul>				

Source: Official Tesco portal, 2015

**Figure 18.** Tesco online business model

As we can see from Canvas<sup>2</sup> business model, Tesco pays strong attention to the building block of channels. They are trying to satisfy as much customers' needs as possible and be available in different offline and online channels such as: stores (offline), their official website, social media (Twitter, Facebook), Mobile application, other dedicated websites. Moreover, one of Tesco goal is to establish multichannel leadership, which according to them is not just having a website.

In fact, Tesco sequences the global trends and pays especially strong attention to mobile age. Customers may have an opportunity to get the *mobile application* (see Annex 2) that helps to find exactly place of product in store. Customer just needs to write what he is looking for and application shows the way to find it. Another great thing is *Clubcard* (see Annex 3), which is also available on mobile device. *Clubcard* coupons are sent directly to customers' mobile phone, where the discounts, points, benefits of the shopping, and all other information might be seen. The *digital wallet* (see Annex 4) is able for Tesco customers. They might create the account through the mobile, get automatically receipts, pay from the digital wallet online for goods and log in to the account at any time and be able to see all the recent transactions.

From the Figure 18, we can also see the points, which Tesco tries to reach in order to gain customer satisfaction. In the building block of customer relationship Tesco says, “Listen to

<sup>2</sup> Business model Canvas (Osterwalder, Pigneur, 2009) – a business model which describes the rationale of how an organization creates, delivers, and captures value. Business model Canvas consists of 9 building blocks: Customer Segments, Value Proposition, Channels, Customer Relationships, Revenue Streams, Key Resources, Key Activities, Key Partnerships and Cost Structure.

*consumers in number of ways*". Meaning that the company tries to satisfy every element of customer satisfaction (Figure 7).

#### Performance-expected requirements.

Tesco website is easy to use; it is divided in sections of goods (Performance). Consumers are available to get electronic newsletters and get the confirmations of orders (Features). The Tesco provides clear information of help centers (Serviceability). Accurate information and prices are able to find online (Accuracy/clarity). The e-mail possibility and other contacts are provided at any time (Responsiveness). The structure of website is divided into the groups of goods and services, also the information can be found according to keywords (Structure). Personalization is in the heart of Tesco performance. Even the online business model sets out that value is proposed to customer via personalized shopping. Especially the data collected in *Clubcards* helps to reach this goal. (Customization). Tesco online shopping is secure and based on private policy (Integrity). As it was mentioned before, Tesco pays especially strong attention to mobile devices (Flexibility).

#### Basic-must requirements.

Online Tesco information is up to date: not only the information about goods and services but also information about financial performance, social responsibility etc. (Reliability). The updated information is highlighted in the first page (Time and timeliness). Data of consumers is protected by private policy. Usually Tesco asks to provide the general information, but if the user wants to use digital wallet and connect to Tesco bank, then Tesco collects much broader personal information (Security/system integrity). The online business model proposes value to customer through 7/24 shopping experience (Accessibility). The customers are informed through different channels such as mobile, *Clubcard*, e-mails, information on the website about Tesco news (Communication and feedback). The customers have opportunity to make transactions through mobile devices even in the store (Usability/navigability). Tesco is easy to find on Google (availability). Not many efforts asked to put in order to find information online or make the transaction, especially if the customer is a user of *Clubcard* or *digital wallet* (Functionality). The Internet provides few sources where people vote for goods delivery. Some of them show 3 of 5 stars, some 2 of 5 stars. Overall, the most people responds to the quality of goods not to the benefits provided through internet marketing (Reputation). The online business model of Tesco as one of key activities announce collecting feedback, suggestions and information from the customers so they can trust the business (Trust).

#### Delight-excitement features.

The visual attractiveness meets the principles of design set out in the theoretical part also in Gov.UK official site (Transcendence). If the user is a *Clubcard* user he gets the personalized communication, if not – the formal, but always polite communication (Courtesy/empathy). The

*Clubcard* and *digital wallet* helps to determine the user (Retrievability). The variety of digital channels provide communication opportunity between customer and Tesco (Interactability). Simple payment and additional information is provided through *Clubcard* and *digital wallet* (Service differentiation).

E. business goal is to attract customer and to maintain the relationship with them. In Tesco, case the online business model sets out that the long-term relationship should be based also the identification and loyalty building is necessary through *Clubcard*.

*As a result*, UK business and the government tries to satisfy the needs of their people and customers. Qualitative criteria as design, distribution channels for information, customer satisfaction and e-loyalty play their role according to internet marketing integration to e. business.

## **2.2. Analysis of internet marketing quality development in the United States**

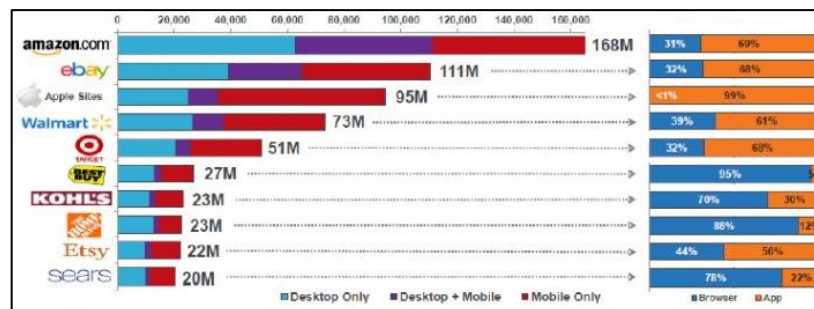
According to Figure 15, the largest use of Internet is in the North America (88%). Moreover, United States of America (further USA) takes 4<sup>th</sup> place between countries of e. commerce development in the world. Universities of Michigan, California and Illinois have already started teaching the course of “Trade marketing” and “Marketing methods” in the early 1902. In 1910 – 1925, “The National Marketing and Advertising Association” was founded, which nowadays is called “American Marketing Association” (further AMA). USA started to pay attention to marketing development many years ago, which is why it brings us now to a developed internet marketing society of USA.

There are more than 10,3 billion Google searches by every month, with 78% of USA internet users who are searching the services and products online. About 60% of all Internet activities in USA goes through mobile devices and more than a half of all Internet traffic goes through mobile apps. Moreover, American companies have the largest databases of subscribers, which average is more than 500.000 subscribers on their e-mail lists. In addition, the majority of marketers (59%) are using social media channels in order to reach the customers, for six or more hours each week in the USA. It is not so surprising, because the statistic claims that social media channels are very important for events promotion. The statistic of January 2015 says that Facebook was the most popular channel for this activity (78%), then Twitter (56%) and LinkedIn (49%) (CMO Council, 2015).

The facts above show that internet marketing is important in USA and especially strong attention is paid to online distribution channels. For instance, the AMA emphasizes the importance of a mobile age in USA. Mobile devices are widely used for a variety of important life

activities, from accessing the health condition to education. In addition, people follow the news on their smartphones, local community activities, employment resources (Smith, 2015).

Leading e-commerce companies in USA are Amazon.com, eBay Inc, Apple Inc., Walmart etc. (see Figure 19).



Source: comScore and Cantor Fitzgerald research, 2014

**Figure 19.** Top USA retail sites

eBay is a multinational corporation and e-commerce company, which provides the consumer to consumer (C2C) and business to consumer (B2C) services of sales through the Internet. It was founded in 1995 by Pierre Omidyar and became an example of success story of the dot-com bubble. eBay is valued as multibillion-dollar business, which is located in over thirty countries in the world. This company manages the eBay.com, shopping website and online auction where people and businesses can buy and sell services and products online (Global Trade: Finding International Items On eBay, 2011).

eBay is based on a user-friendly website design which is categorized on the list of goods and services, so the customer does not need to put much effort to find what he is looking for.

eBay realizes the importance of online distribution channels for information and promotions so it reaches the variety of users through different channels, such as official website of eBay, social media Facebook, Twitter (the customer might find the individual website of every company where it originates). The information might be found on video-based promotions in Youtube. Since the USA pays especially strong attention to mobile devices, the eBay is not an exception. The website is mobile-friendly and customers can get the information through the most convenient channel. Figure 19 also shows that more customers are visiting eBay through mobile or desktop + mobile.

In terms of customer satisfaction, eBay is customer oriented and meets further requirement:

Performance-expected requirements:

The content of the website is clear and easy to navigate, it is divided in to the sections (Performance). As the extra feature, users might have the e-newsletter opportunity with the information about new products and services. The website provides the policy, which every

member has to accept before joining and the call centers are provided (Serviceability). As it was mentioned before, the website is easy to use and has clear information of prices, discounts (Accuracy/Clarity) and in any case, the website administrator can be reached through email or phone with a quick response (Responsiveness). The website structure is divided in the groups of products and services (Structure). Since every member is registered, the website administrators follow the interests of the member and preferences are memorized in order to suggest it next time (Customization). Data security of the member is ensured according to the private policy (Integrity) and the eBay is accessible through variety of convenient channels for customer (Flexibility).

Basic-must requirements:

The information is constantly updated (Reliability, Time and Timeliness). During the registration, eBay asks to provide only the general personal information. Moreover, the section Help&Contact provides the variety of solutions for issue that customer might meet (Security/system integrity). The users can access the website 24x7 (Accessibility) and the members have the opportunity to get the newsletters via e-mail about the news or the messages direct to personal emails (Communication/feedback, Usability/navigability). Entering eBay in Google it directs user straight to its' official website (Availability). The members have the opportunity to leave the feedback after every purchase about the seller and product. According to the feedback, the administration might take the actions (Functionality, Reputation, and Trust).

Delight-excitement features:

The visual attractiveness meets the requirements – it is simple and user friendly (Transcendence). The personalized messages are written to the users in both direct in eBay account and e-mail (Courtesy/empathy). eBay works in over thirty countries in the world so the amount of users is huge, but every country has its' own administration which works on the data (Retrievability). The feedback opportunity and variety of digital channels maintains the communication process between the user and eBay (Interactability). Service differentiation is ensured by clear information under the products.

In order to keep the loyal customers, eBay provides the opportunity to count the accumulate points and use them during the purchase. The e-loyalty is ensured according to the e-loyalty wheel (see Figure 8) elements: confirmation of expectations, satisfaction, trust, sense of belonging.

**Overall,** USA is one of the leaders in e. commerce and internet marketing development, because it follows the trends and needs of its' society for a decades. The set qualitative criteria in theoretical part are implemented in USA internet marketing development and the ROI is achieved, which is provided by an eBay example as a multibillion-dollar company.



## **2.3. Analysis of internet marketing quality development in Lithuania**

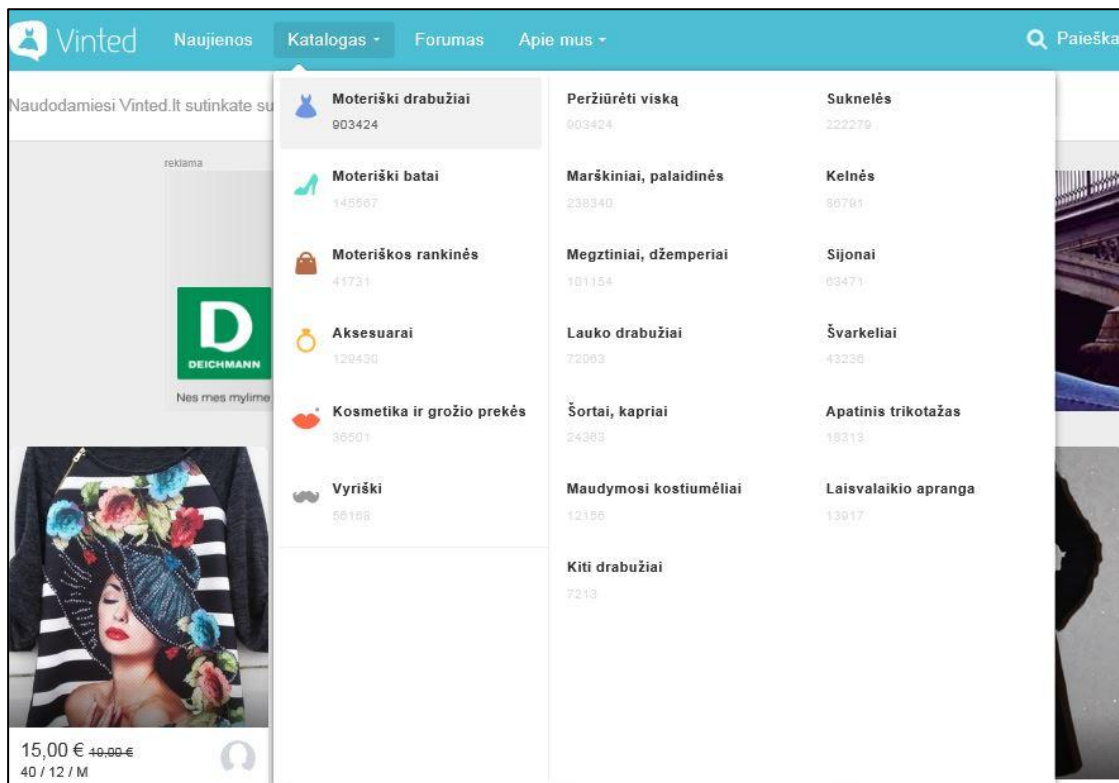
Lithuania is an information technology (further IT) country. This sector has been a priority and for the last five years has been growing rapidly, perhaps attracted the most foreign investment and created thousands of new jobs.

International Telecommunication Union (2014) claims that Lithuania is ranked as 16<sup>th</sup> in the world according to IT skills. ZDnet (2015) says that 13 out of 20 largest IT companies in the Baltic countries are based in Lithuania. According to the fact that more than 2 out of 3 million are Internet users in Lithuania, it is not surprising why the world pays attention to this country. Moreover, Lithuania remains the leader in fiber-optic Internet network penetration. In fact, Lithuania has plenty Internet users, it is a perfect area to make them as costumers. That is why Lithuania has numbers of business in e. environment and in order to attract customers, develops internet marketing.

### **2.3.1. The current situation analysis of internet marketing deployment**

Well-known brands in Lithuania are Pigu.lt, Grupinis.lt, Beta.lt, especially strong attention to online communities pay banks in Lithuania, Vinted. lt. The latter example of Vinted.lt today is known in Europe and America with more than 11 million users where they can buy and sell the products. This startup is the best valued among the Baltic countries, which is more than 100 million euros.

Vinted.lt has a simple design of the website, which makes it attractive to the users. The website is divided to the sections and the user can choose the exact product which he is looking for (see Figure 20).



Source: Official Vinted.lt website, 2015

**Figure 20.** Vinted.lt official website

Vinted.lt might be achieved not only through its' website, but also on social media and it is adopted to mobile devices which is very important to most of current users. In fact, Vinted.lt complies with the criteria of online distribution channels, because it can be achieved in the convenient way for the customer.

In terms of the customer satisfaction, Vinted.lt meets the further requirements.

Performance-expected requirements:

The content of the website is clear and easy to navigate (Performance) and as the extra feature, the users might have the forum opportunity with plenty of themes like beauty & fashion, healthy living, diet & sport etc. The website provides the policy, which every member has to accept before joining, so the customer is protected by privacy policy (Serviceability). As it was mentioned before, the website is easy to use and has clear information of prices, discounts (Accuracy/Clarity) and in any case, the website administrator can be reached through email or phone with a quick response (Responsiveness). Figure 20 confirms the easy structure of the website (Structure). Since every member is registered, the website administrators follow the interests of the member and preferences are memorized in order to suggest it next time (Customization). Data security of the member is ensured according to its policy (Integrity) and the Vinted.lt has the mobile application opportunity (see Annex 4).

### Basic-must requirements:

The information is constantly updated, for instance number of members, new countries, features, policies (Reliability, Time and Timeliness). Security/system integrity is ensured in the section “Help” where the member can find the most often issues and questions and what steps should be taken in order to solve them. Even more, the users can access the website and information 24x7 (Accessibility) and the members have the opportunity to get the newsletters via e-mail about the news or the messages direct to Vinted.It account (Communication/feedback, Usability/navigability). Entering Vinted in Google, it directs user straight to official Vinted.It website (Availability). Figure 20 confirms the Functionality and every member of Vinted.It has the feedback field, where the customer can leave a positive or negative feedback and in case the negative feedbacks follow, the Vinted.It team might take the actions. Overall, the feedback might be find about the Vinted.It infrastructure as well (Reputation, Trust).

### Delight-excitement features:

The simple design attracts the users, main color - light blue, video explanations, easy navigation, not too much information (Transcendence). The personalized messages are written to the users in both direct in Vinted.It account and e-mail (Courtesy/empathy). The Vinted.It has already more than 11 million users and in order to ensure the users data, the team members are also increasing, now they are 240 (Retrievability). As it was mentioned already, every user can leave the feedback about the member or administrator of the website in the building blocks or forums, so the interactability is ensured between the site and the user. Service differentiation is ensured by clear information under the products and in order the product is not sold during some time, the website suggests making a discount for it.

Implemented features of customer satisfaction ensures the loyalty of members and users of Vinted.It, which already overstepped 11 million and attract more than 240 team members.

*In summary*, the example of Vinted.It meets all set of qualitative criteria: design, online distribution channels, customer satisfaction and e-loyalty. The implemented steps led the business to a positive ROI which is currently valued for more than 100 million euro.

### **2.3.2. The legal regulation aspects of internet marketing content**

For high performance of e. business and internet marketing, an important aspect is a well-prepared legal framework on this issue. European Union (further EU) has set high goals and one of them is to promote competition in the provision of electronic communication networks, electronic communication services and associated facilities and services to ensure users' interests, expand the domestic market. In order to reach this goal the main legislation on e. commerce in

Lithuania is the Electronic Communications Law of the Republic of Lithuania of 15 April, 2004, No. IX-2135. Based on the latter law and in order to implement the European Parliament and Council Directive 2002/22/EB on universal service and users' rights relating to electronic communications networks and services, the Order of Electronic Communications Service Rules of 23 December, 2005, No. 1V-1160 has been approved.

**Information society services** (further ISS) are mainly regulated by EU Directive on electronic commerce 2000/31/EC (of 8 Jun, 2000). Part of ES members have fully implemented principles of directive into their national laws (Ireland, Austria, Spain, Portugal, Finland etc.), but majority of EU countries still have their national laws which include different regulations. EU directive has only general application so the service provider should comply with national regulations. In Lithuania, it is regulated by the Law of Information society services. Regulations are implemented and monitored by Information Society Development Committee under Ministry of Transport and Communication.

A **clickwrap agreement** (also known as a "*clickthrough*" agreement or clickwrap license) is a common type of agreement often used in connection with software licences. Now the use of clickwrap agreements is very diverse: from licence agreement up to the acknowledge with webpage rules. General recommendations regarding clickwrap agreements:

- General conditions shall be easily and directly accessible.
- The user must be informed about the general conditions.
- The user must express his consent at the end of all general conditions.
- The will should be expressed actively.
- The information about consent and time of contracts should be retained.
- Very clear information must be provided about the stages of contract.
- A possibility to discard the process at any time should be provided (Kunkel, 2002).

An important issue in the world is **consumer protection**. The main legal act in Lithuania is Law on Consumer protection of 10 November 1994, No. I-657.

- Art. 3. Consumer rights: <...> Upon breach of consumer rights, to apply to competent institutions or to court.
- Only mentioned institutions can handle the dispute.
- No any possibility to handle the dispute in electronic way.
- Law on information society services, art. 17: Service providers and consumers are entitled (by consensus) to solve their disputes relating to information society services, without court procedures, by electronic means. The decision is not mandatory.
- The main institution in Lithuania in the field of consumer dispute resolution: State Consumer Rights Protection Authority (further SCRPA).

SCRPO functions:

- Performs alternative consumers' disputes resolution;
- Analyzes consumer complaints on unfair contract terms;
- Coordinates and implements protection of consumer economic interests, supervises market of consumer products and services;
- Carries out-of-court examination of consumer complaints resulting from consumers' disputes with credit providers;
- Undertakes control on how requirements for advertising stipulated in the Law of Advertising are complied with;
- Within the limits of its competence applies action measures intended by law to trespassers who infringe the Law of Consumer Rights Protection, Law of Product Safety and Law of Advertising.

Moreover, the consumer has the right to request to acknowledge contract terms as unfair.

This acknowledgment has to be made by court.

*In conclusion*, some important regulations have been mentioned, overall there are more regulations which come from the EU. Magnificent job is already done in order to build efficient e. business, but they should be more clear and specific and not to be overloading.

### **2.3.3. Strategic insights of internet marketing qualitative criteria implementation opportunities**

Summarizing the internet marketing qualitative criteria implementation analysis in Lithuania, as a priority area the information society development should be highlighted. The e. business services and internet marketing will not bring positive results to society and economy if they will not be used and will not bring positive ROI. Because of that, the Lithuanian government together with business insights distinguishes the ultimate goal for 2011 – 2019, which is to increase the Lithuanian population ability to use Information and Communication Technologies (further ICT) and to develop ICT infrastructure.

Moreover, the government of the Republic of Lithuania adopted the resolution No. 1187 “For the state long term strategy development concept”. According to the vision of resolution one of a long term priority for Lithuania is competitive economy and one of the implementation direction is the knowledge economy and e. business development. Resolution aims to promote investment in computer network development, opportunities and usage; stimulate economy; to sponsorship and promote the business, higher education and research integration of competitive products and services. Moreover, to develop and implement measures that hinder the outflow of

computer specialists abroad and encourage them moving back to Lithuania; to improve the legislation, which ensures residents' information security and privacy.

On the one hand, Forbes states that the advantage of Lithuania is multilingual technological talent and "Investuok Lietuvoje" ("Invest in Lithuania") secondary that IT professionals abundance is one of the key factors for the country's attractiveness to foreign investors. On the other hand, the European Commission in the report of Innovation Union Progress (2014) states that there is no strong correlation between the ongoing scientific and technological Lithuanian declared specialization and critical mass problem remains relevant finding priorities. Patenting activity in the country is very low and does not reveal any significant technological specialization. Business patented 4,5 patents in Lithuania in 2012, while business in Finland patented 483,6 patents in 2012. The ratio varies 84 times and it supplements the contention that Lithuanian technological business is still not innovative at international level, it is not creating, but still searching its' direction. The international companies in Lithuania are more serving than served.

Mosta (2015) conducted comparative study of Lithuanian scientific activities, which results revealed that IT students' number is increasing every year. In the first-cycle studies 5416 freshers have been accepted in 2010, while in 2015 – 7637 freshers. Overall, it is estimated that on average in 2014-2015 studies suspended 13,5% bachelor students and 14,3% master students, while IT students' fall is higher than average - 16,8% in first-cycle studies. Moreover, in 2011-2015 foreign direct investment in the IT sector grew by about 70% and the number of doctoral students fell by almost a fifth. In fact, students choose the IT studies and the number is growing, but not that fast as the Lithuanian IT business development requires, only a tenth of them choose to graduate master studies and only 1.7% choose to doctoral studies. Thus, the problem is that the number of necessary specialists' teachers is decreasing and in the future it might be a problem to prepare IT professionals.

In the section 2.3.2. several legal acts have been discussed, which regulate the e. business and internet marketing development in Lithuania. Overall, it is hard to highlight one main legal act, which would regulate the e. business or internet marketing development issues. The acts are overloaded and some of them are lack of clarity.

State Progress Strategy "Lithuania 2030" fosters vision of an intelligent society, intelligent economy and smart management - an open, creative and responsible person. In order to avoid the rising problems and to foster the vision of a long term strategy business, science and public sector should link to adaption by increasing or decreasing flow of foreign investments, to create a system capable to create the innovations, not only to serve them. Moreover, it should link to the system which supports the creative and learning society.

In order to increase the positive ROI generation to the business and the state, the qualitative criteria such as *design, online distribution channels, customer satisfaction and e-loyalty* should be implemented and developed in Lithuania. In addition, the solutions should be determined in order to increase the internet marketing efficient. Strong attention should be paid to human capital - the users' needs, their access to e. business has to be assessed. If there is no high consumer demand and high opportunities to use them – the internet marketing may lose its' essence. An important aspect becomes process simplification, that it would be clear to all target groups. The customers have to be motivated to use e. business opportunities – this process has to be cheaper, simpler, and faster as the traditional one. It is also important to highlight the businesses cruet to e. business and internet marketing development. Only with adequate motivation and understanding the benefits of internet marketing, the employees will promote the development of internet marketing quality and will cooperate with customers. The innovation implementation and absorption depends on human capital contribution, so it is vital to motivate and be customer oriented.

### 3. QUALITATIVE CRITERIA OF INTERNET MARKETING EVALUATION OF APPLICATION POSSIBILITIES

#### 3.1. Research methodology

**Issue of the research.** Internet marketing becomes an important tool for developing business. In fact, internet marketing most of the times is included in business strategy. However, the concept of internet marketing quality and qualitative criteria is not determined by scientific literature as well as the practice, which makes difficulty to determine the effectiveness of internet marketing.

**The object of the research.** Qualitative criteria creation and implementation for internet marketing.

**Goal of the research.** According to the experts, to figure out the concept of internet marketing quality; to determine the qualitative criteria, which could be adopted by evaluating internet marketing quality; mark out the internet marketing development problems, solutions and major examples in Lithuanian and global market.

**The tasks of the research:**

- To perform the survey of experts' opinion, which would help to determine the qualitative criteria of internet marketing;
- To offer the aspects of qualitative criteria application of internet marketing development.

**The qualitative research method** was chosen - experts opinion survey by structured interview or questionnaire form. This method was chosen in order to dig deeper into the problem, while the quantitative research is focused on the extent and spread of the phenomenon (Baley, 1995). Qualitative research allows obtaining various information, broadening the issue and analysing it in a broader context. Interview is considered as one of the most effective qualitative research methods, which provides detailed answers, especially to open questions (Tidikis, 2003). Of all the types of interviews the expert interview was selected. The interview was carried out according to pre-formulated questions and respondents were asked by the same procedure.

The questionnaire was made accordance with the **principles of drawing up the questionnaire**. The objective of the research was introduced; respondents were familiar with the issue of the research. Moreover, it was noted that the questionnaire is aimed to find the experts' insights about qualitative criteria of internet marketing determination and application. The answers are submitted as the personal opinion and evaluation. The questionnaire indicates major explanations and instructions on how to fill in a certain part of the questionnaire.

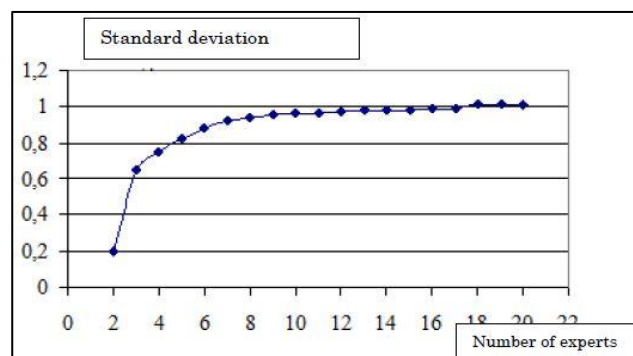


### 3.1.1. Organization of the research

The problem of a sample size in quantitative research has been analysed sufficiently. However it is hard to determine what sample size should be held in qualitative research. The sample size depends on phenomenon details of the research, strategy of the research, informativeness of collected data and method of data collection. Applying interview, the proposed sample size is from five to thirty people, in this case eleven respondents have been chosen. Qualitative research findings are more closely related to the investigators' analytical capacity and testing of selected cases informativeness, than the sample size of the problem (Bitinas, Rupšienė & Žydžiūnaitė, 2008). As a result, the sample size problem is not that much important by applying qualitative research method.

The experts have been chosen according to the activity areas, it was important that experts would be related to internet marketing. The information has been looking on the Internet. After selecting the experts, it was contacted personally. The researcher was proposed to the experts, as well as the problem of the research and the goal: according to the experts, to figure out the concept of internet marketing quality; to determine the qualitative criteria, which could be adapted by evaluating internet marketing; mark out the internet marketing development problems, solutions and major examples. Most of the experts wanted to stay anonymity, but agreed to specify the occupied functions. In order to keep the anonymity the experts are named anonymously, such as Expert A, Expert B etc.) and activities specified.

The survey was carried out between 2015 September 16 and 2015 October 1. The questionnaire was sent to eleven experts. However, one of the respondent did not provide the answers and one case was rejected. The reason of rejection is that more than half of the questions were not filled in; the information did not seem purposeful and properly held for the research. In the end, nine experts' opinions are analysed. Moreover, the accuracy of decision and evaluation is sufficiently high when the number of experts reach nine, so this number of experts is enough to obtain accurate information (see Figure 21).



Source: Baležentis & Žalimaitė, 2011, p. 25

**Figure 21.** Expert evaluation standart deviation dependence on the number of experts

The graph illustrates the methodological assumptions set out in classical test theory. It says that aggregate decision reliability and decision-makers number connects fast fading nonlinear connection. In the modules of aggregated experts' evaluation which are connected with equal weights, small groups of experts' decisions and evaluations accuracy do not descend to large group of experts' accuracy of decisions and evaluation (Baležentis & Žalimaitė, 2011).

The questionnaire consists of eight questions: six of them are open-ended nature, two - closed: in one of them respondents are asked to evaluate the formulated statements by the assessment scale from -2 to 2 (2 means "totally agree", 1 – "agree", 0 – "I am not sure", -1 – "disagree", -2 – "totally disagree").

**In the first question** (closed question), respondents were asked to evaluate the formulated statements about the qualitative criteria of internet marketing according to the evaluation scale (see Table 7).

**In the second question**, respondents were asked to describe the internet marketing quality.

**In the third question**, (closed question) respondents were asked to mark the most important qualitative criteria for developing internet marketing or to write additional one.

**In the fourth question** the solution of website design, which was proposed by the author, Wei-shang Fan (2008) (see Figure 3) was submitted. The respondents were asked to provide the criteria, which would make the possibility to assess the quality of website design.

**In the fifth question** respondents were asked to distinguish the problems of internet marketing development.

According to the fifth question, **the sixth question** was formulated and respondents were asked to provide the opportunities, how the problems could be solved.

**By seventh question**, the respondents were asked to provide the worldwide example of internet marketing quality.

**By eighth question**, the respondents were asked to provide Lithuanian example of internet marketing quality.

Table 7 provides first question, where respondents were asked to evaluate the statements.

**Table 7.** First question of the survey

	-2	-1	0	1	2
The literature clearly determines the concept of <i>internet marketing quality</i> .					
The qualitative criteria which could evaluate internet marketing:					
• Design					
• Online distribution channels for customer (mobile marketing, social media, video marketing, website, newsletters etc.)					
• Customer satisfaction					
• e-loyalty					

Source prepared by the author

The questionnaire was sent by e-mail to the respondents with the additional explanation about the questions.

### 3.1.2. Characteristics of survey respondents

From the experts who were performing in the survey, nine experts have been chosen:

- Expert A – e. marketing project manager. Field of activity – retailer of domestic appliances and electronics leader in Lithuania.
- Expert B – e. marketing department director. Field of activity – Bank.
- Expert C – marketing Project manager. Field of activity – Insurance.
- Expert D – Co and Director. Field of activity – information and communication. Lector of e. marketing.
- Expert E – Trade Marketing Project Manager. Field of activity - a mobile communications company operating in the Baltic countries.
- Expert F – Head of Marketing and Communications. Field of activity - advisory services.
- Expert G – Brand Manager. Field of activity - trade and service company with a well-developed e. marketing network in Lithuania.

- Expert H – The leader of electronic channel management group. Field of activity - a mobile communications company operating in the Baltic countries.
- Expert I – Online marketing manager. Field of activity - trade and service company with a well-developed e. marketing network in Lithuania.

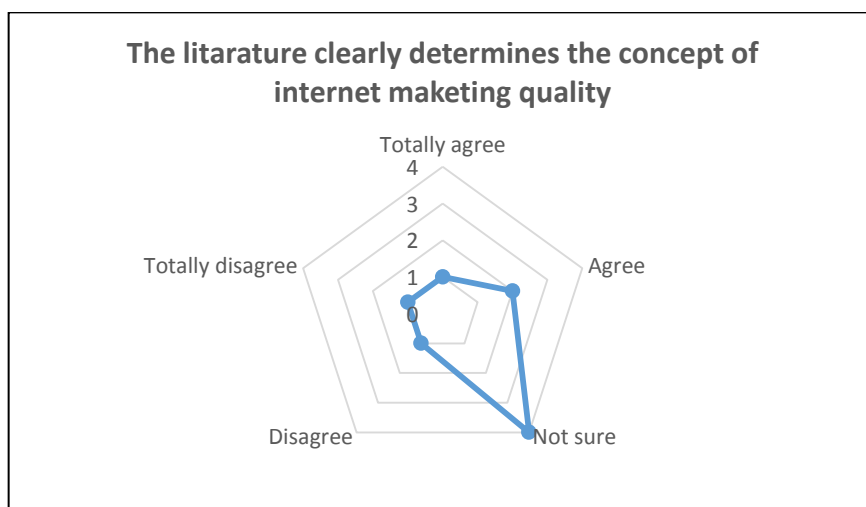
Since the goal of the research is to figure out the concept of internet marketing quality and to determine the qualitative criteria, which could be adapted by evaluating internet marketing, the experts above have been chosen from different activity areas. However, all of the organizations they are working for, developing internet marketing or even provide the internet marketing services to other companies. By formulating questions of the survey, the aim was to find out the opinions of experts about internet marketing development, its' problems and solutions as well.

### 3.2. Data analysis

Despite the fact that the research is based on qualitative method, the first question, which consists of five parts, is analysed by additionally applying quantitative method. The question was based in order to determine if the experts agree with the suggested criteria. It should be noted that the statements will be accepted as the applicable as the qualitative criteria if more than a half experts will agree or totally agree with the statement.

**First part of the first question:** the literature clearly determines the concept of *internet marketing quality*.

The main problem, which is determined in the literature, is non distinguished qualitative criteria which could help to evaluate the internet marketing quality. However, the respondents' opinions are different according to this statement (see Figure 22).



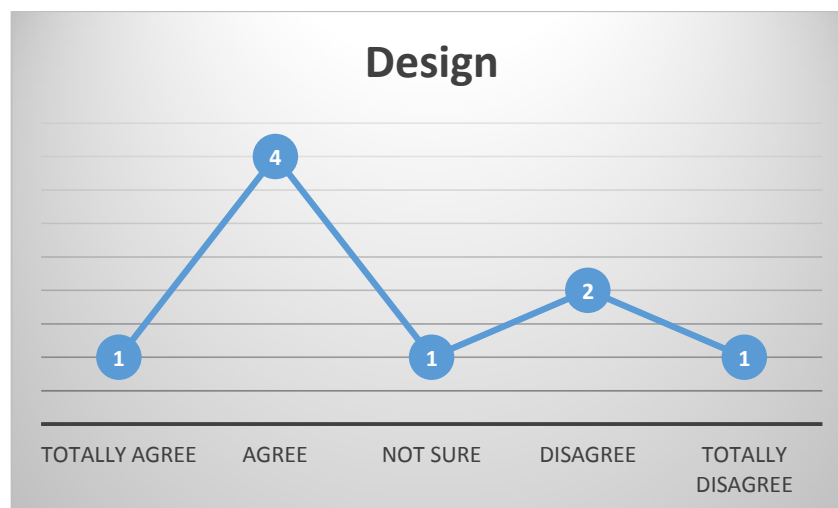
**Figure 22.** Determination of internet marketing quality

One respondent (Expert I) totally agrees, that literature clearly determines the concept of internet marketing quality. Two of the respondents (Experts C and D) agree with the statement that qualitative criteria of internet marketing are determined in the literature, while four of respondents (Experts A, B, E H) are not sure about this statement. However, one of the respondent disagrees (Expert G) and one totally disagrees (Expert F) with the statement. On the one hand, the experts' opinions are different and dominant view did not appear. On the other hand, three out of nine respondents totally agree or agree with the statement, while six respondents are not sure, disagree or totally disagree. As a result, the question must be raised and discussed, because there is no united view.

**Second part of the first question:** The qualitative criteria, which could evaluate internet marketing is *design*.

Design was proposed as one of the qualitative criteria in the research, which could help to evaluate the internet marketing quality. Forbes (2012) announces that any business must admit the power of a great design for customers' experience. Design-oriented business has the advantage, because the first thing what customer pays attention to – is an image, design of graphic, brand, product, interior, web and service design etc.

The opinions of experts' who were involved in the survey are quite similar in terms of criteria of design (see Figure 23).



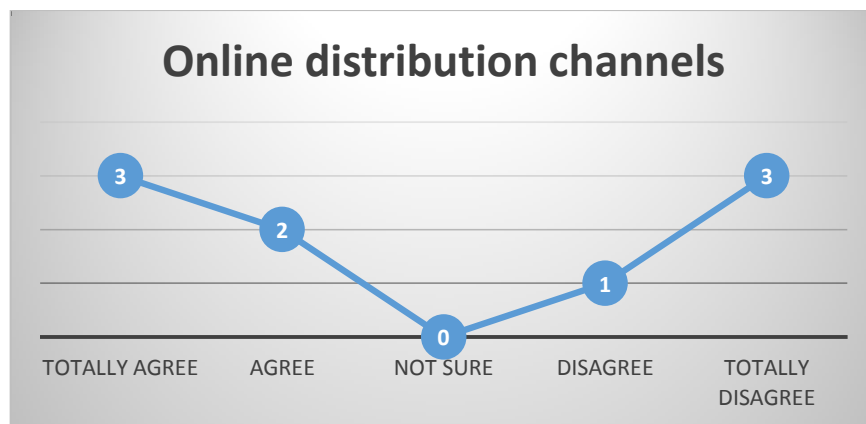
**Figure 23.** Qualitative criteria – design

The Figure 23 shows that one expert totally agrees (Expert C) with the design as qualitative criteria of internet marketing; four experts agree (Experts B, D, E, F) with the statement. However, one expert is not sure (Expert A) about this criteria and two experts disagree (Experts G and H). However, Expert I totally disagrees that design could be involved between the qualitative criteria of internet marketing development. Overall, more than a half of the experts agree with the qualitative criteria design in order to evaluate the internet marketing quality.

**Second part of the first question:** The qualitative criteria, which could evaluate internet marketing is *online distribution channels*.

Greenberg and Kates (2014) provide the variety of digital media channels for reaching the customers (see Figure 11). The customers want to reach the information through different channels, which means through convenient ways to customer. From business perspective, information is also very important. It must ensure the confidence for collecting information about customer in order to use it for future perspectives and create personalized internet marketing. The variety of distribution channels help business collecting more requisite information about the customers and build the personalization. Business sites such as aheadWorks (2015), e. commerce platform (2015), eMarketer (2014) pays especially strong attention to online distribution channels as one of the most important trends for internet marketing.

The results of survey are more positive according to online distribution channels, which could help to value the internet marketing quality (see Figure 24).



**Figure 24.** Qualitative criteria – online distribution channels

All experts have clear opinion about the statement, because none of the experts has chosen “Not sure”. Three of the experts totally agree (Expert A, C, E) that online distribution channels could help to measure the internet marketing quality and two of them agree (Expert B, F). However, one expert disagrees (Expert G) and two experts totally disagree (Expert D, H, I) with the statement. Overall, five of nine experts agree or totally agree with the statement that the qualitative criteria, which could evaluate internet marketing is online distribution channels.

**Third part of the first question:** The qualitative criteria, which could evaluate internet marketing *customer satisfaction*.

Chaffey (2009) states that Internet technologies can be used to maintain the following goals:

- To set out how Internet technologies can be adapted to the purposes of marketing researches in order to meet the needs of customers;

- To provide more Internet channels where consumers could have great flexibility opportunities for goods and services searching and purchasing.
- The most successful internet marketing factor to meet the needs of customers is **satisfaction**.

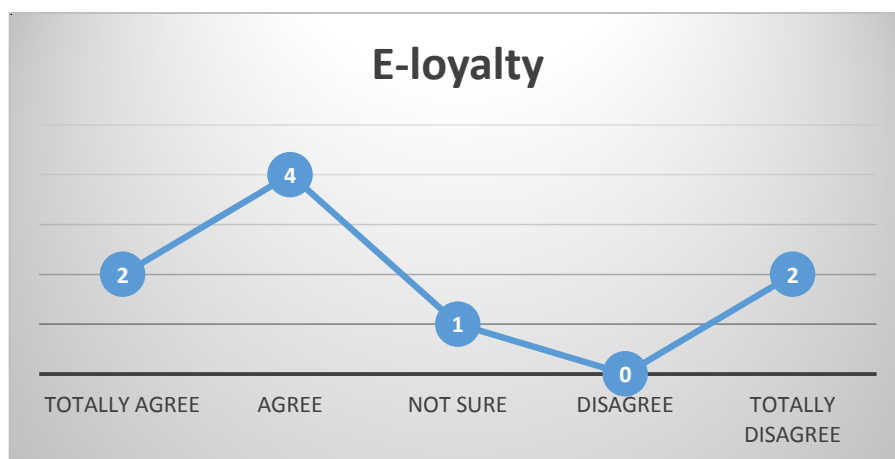
The survey results demonstrate that eight out of nine experts agree or totally agree with the customer satisfaction as a criteria. Five out of nine experts agree (Experts A, B, E, G, H) and three out of nine experts totally agree (Expert C, D, F) with the statement. However, only Expert I totally disagrees that customer satisfaction could be involved between the qualitative criteria of internet marketing measurement.

As a result, eight experts approved that customer satisfaction is an important element in marketing practice and most companies admit that customer satisfaction is necessary “strategic imperative“ (Mittal, Vikas & Frennea, 2010).

**Fourth part of the first question:** The qualitative criteria, which could evaluate internet marketing is *e-loyalty*.

E. business is based on customer orientation, so it is important to recognize customers’ needs and expectations in order to maintain the competitiveness and customers’ loyalty. E-loyalty is the continuation of the traditional loyalty to e. commerce. E-loyalty is the customers’ loyalty to e. retailer (Turban et al., 2002).

From the experts’ point of view, the opinions are more different according to e-loyalty (see Figure 25).



**Figure 25.** Qualitative criteria – e-loyalty

Two out of nine experts totally agree (Experts D, F), four experts agree (Experts A, C, G, H) with the statement. One of the expert is not sure (Expert B) if the e-loyalty should be applied as the qualitative criteria. None of the experts disagree, but two experts totally disagree (Experts E, I) that e-loyalty should be applied as the qualitative criteria. Overall, more than a half experts (six out of nine) agree or totally agree with the statement and one is not sure, so the criteria should be applied as the qualitative criteria.

**To conclude**, in the beginning of the first questions' analysis, it was noted that the criteria will be accepted as the applicable qualitative criteria in order to measure the internet marketing quality, if more than a half experts agree or totally agree with the statement. With the first statement that the literature clearly determines the concept of *internet marketing quality*, two out of nine experts disagree or totally disagree. However, four experts are not sure, so the statement cannot be evaluated properly. Overall, it should be noted that this question must be discussed, because there is no clear point of view neither between the authors nor the experts. In terms of suggested criteria *design*, it could be applied as qualitative criteria, because five out of nine experts agree or totally agree with the statement, which is more than a half. *Online distribution channels* could be also applied as the qualitative criteria, because five out of nine experts agree or totally agree with the statement. The survey results demonstrate that eight experts agree or totally agree with the *customer satisfaction* as a criteria and six out of nine experts agree or totally agree with the statement that *e-loyalty* could be applied as the qualitative criteria. Overall, all four qualitative criteria should be analysed in terms of internet marketing quality development and measurement.

**Second question:** How would you describe the internet marketing quality?

- Expert A (e. marketing project manager) claims that quality of internet marketing is “*marketing feature by various aspects via the Internet to increase customer satisfaction and generate ROI for the company*”.
- Expert B (e. marketing department director). Internet marketing quality can be described as the “*being easily found by the customer in the most convenient time and most acceptable channels*”.
- Expert D (Co and Director) “*In accordance with the basics of marketing concepts, quality can be defined as reaching the consumer satisfaction level*”.
- Expert E (Trade marketing project manager). “*The customer involvement or the desired target audience actions evaluating*”.
- Expert G (Brand manager). “*Efficient use of cyberspace for potential/existing users' achievement and message transfer*”.
- *Expert H* (The leader of electronic channel management group). “*Cost per action (CPA) – for sales promotion campaign; Cost per thousand impressions (technically “Cost per mille) (CPM) – for image campaigns.*”
- *Expert I* (Online marketing manager). “*ROI is the only methodology to evaluate the internet marketing quality*”.

**In summary**, according to second questions' answers, experts provide their insights about internet marketing quality. According to the experts internet marketing is qualitative if following aspects are achieved:

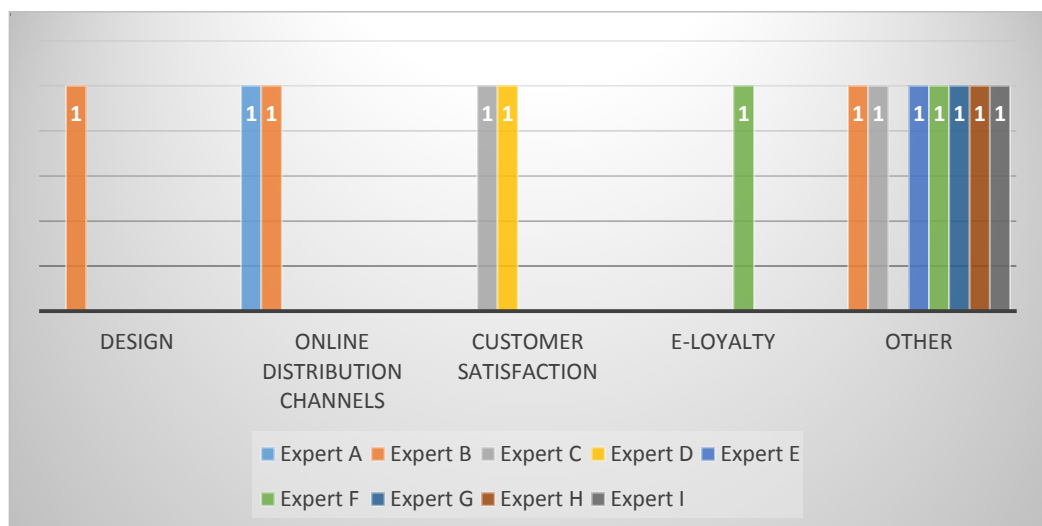


- Customer satisfaction (Experts A, B, D);
- ROI generation (Experts A, H, I);
- Accessibility anytime (24/7) and anywhere (via different online distribution channels) (Experts B, E, G);
- Target audience extension; customer involvement (Experts B, E, G).

To sum up the factors above internet marketing quality is: *In accordance with the basics of marketing concepts, quality can be defined as reaching the consumers' satisfaction level, efficient use of cyberspace for potential users' involvement and target audience extension, and ROI generation for the company.*

**Third question:** Which of the following mentioned qualitative criteria is central according to the development of internet marketing quality?

By this question, experts have been asked to distinguish the most important criteria or to propose the additional one, which, according to them, could be applied in the process of internet marketing quality evaluation. The experts' opinions diverged as you can see in Figure 26.



**Figure 26.** Central qualitative criteria for internet marketing

The Figure 25 shows that experts have different opinions about the central criteria. The experts were asked to exclude one of the following criteria or to provide the additional one. However, most of the experts provide few of most important criteria and additional as well. Experts A and B exclude *online distribution channel* as one of the most important criteria, but Expert B also thinks that *design* should be included between central criteria and provides additional criteria *Google keywords – content optimization*. Experts agree or totally agree with those criteria in the first question as well.

Meanwhile, Experts C and D think that the central criteria should be *customer satisfaction*. In addition, Expert C comments in the section “Others”: *“In my opinion, the most important is general set of measures, because one without the other does not give a good result, only one of the*

*measures is insufficient. From the proposed options, the most important is customer satisfaction, because it includes all – starting with design, which makes customer satisfied or unsatisfied till the optimization when the user can easily find the website etc.”*

Even though Expert E agrees with design and customer satisfaction criteria and totally agrees with online distribution channel as a qualitative criteria in the first question, but in the third question expert provides only additional criteria, which is “*consistent and long-term strategy*”. The same situation is with Expert G who also agrees that customer satisfaction and e-loyalty are qualitative criteria in order to evaluate internet marketing, but in the third question provides additional comment: “*It depends on the purpose of the company, it might be conversions, return on investment or other objective quantitative measure*”.

Expert F in the first question agrees with the criteria design and online distribution channels and totally agrees with customer satisfaction and e-loyalty. As a result, Expert F (in the third question) thinks that the most important criteria is e-loyalty and highlights “*number of new customers and the loyalty of existing ones*”.

Expert H agrees with the customer satisfaction and e-loyalty criteria in the first question, but in terms of the third question expert provides additional criteria, which coincides with the concept elements of internet marketing quality (by the same Expert H in the second question). The expert provides CPA and CPM as the most important criteria in the process of internet marketing quality evaluation.

Expert I does not agree with any of criteria (design, online distribution channels, customer satisfaction and e-loyalty) in the first question, thus the expert provides only additional one in the third question which is ROI. Expert I also highlights that “*ROI is the only methodology to evaluate internet marketing quality.*”

***To sum the third question***, the variety of opinions can be perceived. The experts do not provide one evolved criteria, but also it should be noted that all criteria have been chosen at least once. The online distribution channels and customer satisfaction are criteria, which have been chosen twice, but it could not be said that according to the survey they are the central ones, because two out of nine choices would be no lens. On the other hand, the answers to this question bring us to the result that the importance of this issue is really deep and important, because it is hard to determine common criteria. Overall, two of the experts note that it cannot be distinguished one criterion, the complex of measures should be applied and they should be adopted all together, not one by one. In addition, consideration should be given to the purpose of the company and marketing strategy, what company is going to achieve. Overall, online distribution channels and customer satisfaction have been chosen twice, design and e-loyalty once. Additional criteria could be such as

Google keywords – content optimization; consistent and long-term strategy; new customers' number; conversions; CPA, CPM and ROI.

**In the fourth question**, the authors' Wei-shang, Ruei-Shiuan and Hwang (2008) website design decision was provided (see Figure 3). The experts have been asked to provide criteria according which the website design quality could be measured.

Expert B: *“According to the time spend reading the content or an opened page number”*.

Expert C: *“Attractiveness, friendliness, a clear usability, SEO, the mutual link with social networks and the related external websites. It is very important adoption to specific product/service (that not only the text would be “under the theme”, but also visualization would satisfy the product positioning), meaning – it is important to have what to say/write. Moreover, it is very important that all what is in the website would work – links, functions, etc.).”*

Expert D highlights the importance of *“usability”*.

Expert E provides three main criteria: *“Clarity of display; attractiveness of the website to the target audience; user involvement”*.

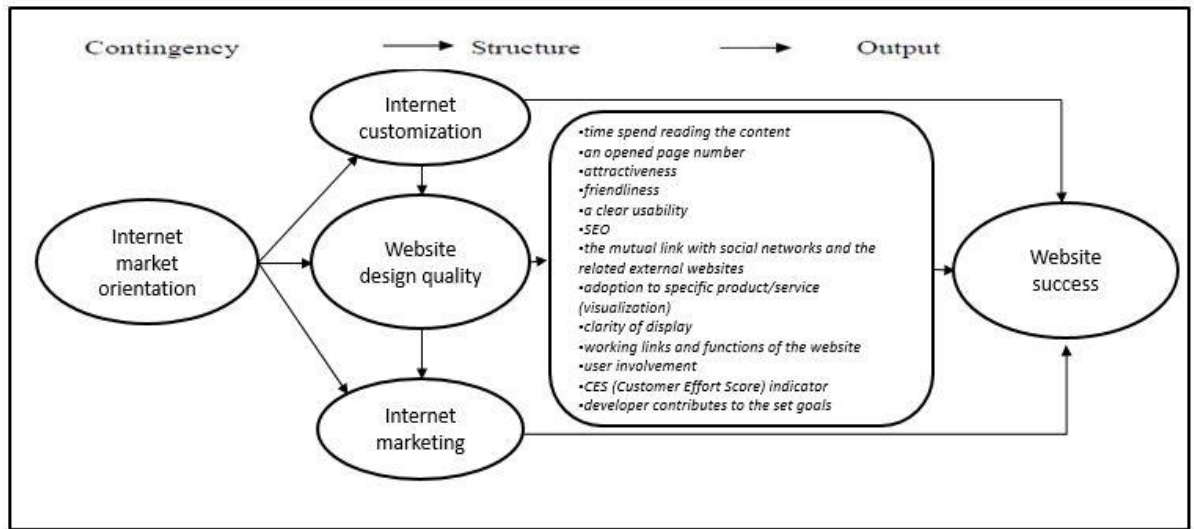
Expert H: *“CES (customer effort score) indicator”*.

Expert I: *“Page design is successful when its' developer contributes to the objectives”*.

Three experts did not provide answer to this question.

**In summary**, the experts provide significant criteria, which could be used in order to evaluate the website design. Interesting fact is that some of criteria repeats by experts. *Attractiveness* is repeated by Experts C and E; *Usability* – by Expert C and D; *Clarity of display* – Experts B and E. It could not be said that one or another criterion is the most important, because some users focus on one and other users to totally other subjects. Overall, criteria such as attractiveness, usability and clarity of display have been mentioned the most by the experts. Some other mentioned criteria are as follows: *time spend reading the content; an opened page number; friendliness; SEO; the mutual link with social networks and the related external websites; adaption to specific product/service (visualization); working links and functions of the website; user involvement; CES indicator; implemented goals of website developer.*

According to the answers of experts, the website design decision could be added with the elements, which could help evaluating the website design (see Figure 27).



The source completed by the author based on the results of the survey

**Figure 27.** Completed website design decision

**The fifth question:** What are the main problems encountered in the process of internet marketing development?

According to the results of survey analysis ten of main categories of the problems are marked out: goal setting problem, lack of resources, lack of budgets, opportunity to measure, perception problem, huge flow of information, customer interest, mobile friendly, separation and loyalty (see Table 8).

**Table 8.** The problems of internet marketing development

No	The problem	Illustrating statements	Number n=7
1.	Goal setting problem	<...> not thinking about “big picture” strategy and goals<...> <...> lack of time for goal setting <...> <...> set goals do not have a quantitative measure. Lack of purposes and innumeracy.	n=4
2.	Lack of resources	<...> lack of programming resources <...> lack of marketing professional competence. Lack of internet marketing knowledge (know-how) in the organization.	n=3
3.	Lack of budgets	Too low budget. <...> lack of budgets.	n=2
4.	Opportunity to measure	<...> to measure all internet marketing	n=2

	influence <...> Sometimes it is not possible to quantifiable quality of the campaign <...>	
5.	Perception problem <...> understanding what is internet marketing, limited to website <...> <...> internet marketing is only scientific and technological measures and decisions set <...>	n=2
6.	Huge flow of information Huge flow of information in digital space. <... too large customer attacking with proposals <...>	n=2
7.	Customer interest The failure of customer engagement. Customer accessibility.	n=2
8.	Mobile friendliness <...> nowadays it is a problem if website is not adapted to mobile devices <...>	n=1
9.	Stand out from the others Separation from other similar products.	n=1
10.	Customer loyalty Keeping the customer loyalty.	n=1

The source developed by the author based on the results of the survey

Remark: n – experts.

Analysis of the survey results indicates variety of internet marketing development problems. Most of the time experts mention the goal-setting problem. Expert C says: *“Most of the times there is no investment to professional decisions, quite often companies try to make it as cheaper as possible and not thinking about “big picture”, strategy and goals, the aim is at least “having” the internet marketing.”* Expert E as one of internet marketing problems also highlights: *“Lack of time for coherent strategy and visually preparation”*. Meanwhile, Expert G emphasizes *“<...>set goals do not have a quantitative measure”* and Expert I says: *“Lack of purposes and innumeracy”*.

Lack of resources is another problem, which is mentioned between the experts. Expert A between three of mentioned problems highlights: *“lack of programming resources<...>*. Expert B mentions: *“lack of marketing professional competence”* and Expert H says: *“Lack of internet marketing knowledge (know-how) in the organization”*.

Two of experts mention budget problem. Expert A notes: *“<...>lack of budgets”* and Expert E says: *“Too low budgets.”*

Measurement problem is also included. Expert A says: “<...>there is a problem to measure the influence of internet marketing (especially if business runs online and offline)”, Expert G highlights: “Sometimes there is no opportunity to quantifiable quality of the campaign<...>.”

One more dominant problem is the perception. Expert C marks: “Perception of what is internet marketing and that sometimes companies limits only to website, meaning do not think about other channels or the same site optimization and the like”. As the main problem, Expert D mentions perception problem as well: “The main problem is the perception that internet marketing is only set of science – technological measures and decisions, which extends the solutions opportunities of marketing problems and weaknesses. It will not save the world by itself”.

Huge flow of information is quite common between problems in the literature and experts highlight it too. Expert B notes: “<...> huge flow of information in Digital space” the same as Expert C accents: “Another extreme - too large customer attacking with newsletters and proposals, which is quite hard to refuse and it takes time.”

Another problem, which was mentioned twice, is customer interest. Expert E says: “The failure of customer engagement”, while Expert F also notices that the problem is “Customer accessibility <...>”.

The problems of mobile friendliness (Expert C: “Finally, I think that website which is not adapted to mobile devices creates a problem – the website has to be adopted or to have another version for mobile devices, because most of usual versions in the screen of mobile device are inconvenient and customers are scared away”), standing out from the others and customer loyalty (Expert B: “<...>separation from other similar product, keeping the customer loyalty.”) have been mentioned once. It should be noted that even though it is less discussed issues, it still makes difficulties for productive internet marketing development.

**Overall**, it can be said that internet marketing faces variety of problems. It should not be highlighted one main problem, because it depends on the goals of the company, marketing campaign and other aspects, which creates different issues.

**Sixth question.** In order to analyse the actions, which should be taken to solve the rising problems, the sixth question was submitted. What actions, in your opinion, should be taken in order to solve the emerging problems? The experts suggest different solutions, which should be adapted in practice (see Table 9).

**Table 9.** Solutions for internet marketing development

No	Solution	Illustrating statements	Number n=7
1.	Education process	Management education about internet marketing influence for company results. Investment to staff education. Be more interested and consult with the professionals <...> Invest to internet marketing knowledge.	n=4
2.	Clear goal setting	To have internet marketing clear goals. To determine objective goals, which could be measured. To distinguish clear priorities. To have a clear list of objectives (in the best case one) and consistently stick to it.	n=3
3.	Innovative solutions	Wait until “Google”, “Facebook” and other major networks will adapt their solutions to Lithuanian market. <...> looking for unconventional solutions.	n=2
4.	Professional management	More effective project and process management. Invest to professional team.	n=2
5.	Integrated marketing	<...> Systems’ creation and development of integrated marketing could provide competitive advantage.	n=1
6.	Research importance	To evaluate all campaigns of internet marketing and customer behavior <...>	n=1
7.	Budget	Budget <...>	n=1

The source developed by the author based on the results of the survey

Remark: n - experts

Analysis of the survey results indicated variety of solutions, which should be taken for solving internet marketing development problems. Four out of nine experts think that education processes should be adapted in the organizations. Expert A says: “*Management education about internet marketing influence for company results should be developed*” and Expert B agrees that not only management, but also: “*Investment to staff education*” has to be started. Moreover, Expert C comments that: “*Companies should be more interested in and consult with the professionals.*”

*Companies should take actions in the beginning and do things right from the beginning, not “for now it is ok, later we will develop”, because all in all this kind of approach costs more, takes longer and finally the results are not achieved.”* Ultimately Expert H highlights: *“Invest to internet marketing knowledge”*.

The first problem, which was proposed in the fifth question – the goal-setting problem. According to the problem above another solution, which is suggested by three experts – clear goals’ setting. Expert E provides two insights of action plans: *“To distinguish clear priorities”* and *“To have internet marketing clear goals”*. Since the Expert G believes that one of the main problems of internet marketing development is that set goals do not have a quantitative measure, there is no coincidence that the same expert thinks it is very important: *“To determine objective goals, which could be measured.”* Expert I determines lack of purposes problem, thus the solution provided by this expert is: *“To have a clear list of objectives (in the best case one) and consistently stick to it. If it does not work, review the actions and edit them”*.

Business sites such as aheadWorks (2015), e-commerce platform (2015), eMarketer (2014) pay strong attention to innovations which is inseparable from nowadays business. In order to be competitive business has to suggest innovative products or services for new customers’ reaching and existing customers’ loyalty keeping. The survey results show that experts also suggest taking innovative solutions in order to deal with the rising problems. Expert A thinks that Lithuania should *“Wait until “Google”, “Facebook” and other major networks will adapt their solutions to Lithuanian market”* and Expert B suggests *“to look for unconventional solutions”*.

Moreover, one of the solutions is to build the professional management team, which according to Expert A could ensure *“More effective project and process management.”* The same solution is provided by Expert F, who says that: *“professional team”* is a key to success.

Integrated marketing (Expert D: *“Developing marketing actions plans it should be required to follow INTEGRATED (Internet, outdoor, mass media, direct sales and other usage of technological and marketing opportunities, decision evaluation) approach. Systems’ creation and development of INTEGRATED marketing could provide competitive advantage”*), research importance (Expert E reminds the importance of *“evaluating all campaigns of internet marketing and customer behavior before suggesting any innovation”*) and budget solutions (Expert F offers to increase the budgets in order to deal with the problems) are proposed once.

***In summary***, it is very important that experts suggest different solutions, because it only proves that organizations face different problems and they need to be solved in variety of ways. However, even though some solutions have been provided only by one expert such as integrated marketing, research importance and budget, it should be discussed, because different



companies and variety of situations may require different solutions which could be shared and adapted.

**Seventh question:** What kind of worldwide internet marketing quality pattern could you highlight?

The statistic of “We are social. Digital, Social & Mobile” (2015) shows an impressive penetration of Internet in the world, which explains the importance of e. business development. Since people are going more online business creates new strategies and goals, which could more easily adapt to the changes and attract more customers. Thus, the Internet marketing became a global discussed topic. This question was submitted to the experts in order to find out what example they could suggest as a good worldwide practice (see Table 10).

**Table 10.** Examples of worldwide internet marketing

No	Example	Expert	Comments
1	Coca cola	Expert A	-
2	Volvo Trucks campaign (Van Damme)	Expert B	-
3	House of Fraser	Expert C	<i>“Great quality of newsletters, which have what to say and suggest. Convenient website for e. shopping. Friendly search. Mobile version. Social networks and customer involvement, etc.”</i>
4	Old spice	Expert E	<i>“The Man Your Man Could Smell Like” – social marketing strategy.</i>
5	Booking.com	Expert D	<i>“Great criteria combination of usability, integrability (collaboration and integration) and searchability).”</i>
6	Milliondollarhomepage.com	Expert F	-
7	Milliondollarhomepage.com	Expert G	-
8	Milliondollarhomepage.com	Expert I	-

The source developed by the author based on the results of the survey

**To sum up**, variety of examples have been proposed. The survey results show that there are great and opened opportunities to learn from professionals. Moreover, three out of nine experts suggest the same internet marketing quality example, which is *milliondollarhomepage.com*.

According to the seventh question, **the eighth question** was submitted: What kind of Lithuanian internet marketing quality pattern could you highlight?

The summary of responses can be seen in Table 11.

**Table 11.** Examples of Lithuanian internet marketing

No	Example	Expert	Comments
1	Swedbank	Expert A	-
2	SEB private customers' consulting program	Expert B	-
3	-	Expert C	-
4	Birzuduona.lt	Expert E	-
5	"Čili" brand campaign	Expert D	"On the basis of Foodout.lt carried "Čili" Trademark rebranding campaign."
6	Half-marathon of Trakai	Expert F	-
7	Vinted.lt	Expert G	-
8	Boredpanda.com	Expert I	-

The source developed by the author based on the results of the survey

**In conclusion**, the survey results show that Lithuania has well known internet marketing examples. Although Experts C and H do not provide any examples, the rest of experts provide internet marketing quality examples in Lithuanian market. Moreover, two of the experts provide Banks – Swedbank and SEB – that could be the Lithuanian examples of internet marketing good practice. By the way, one of the expert is working in the bank while another one is working in the field of retailer of domestic appliances and electronics.

**Summarizing the study results** to the first question, the statement "*literature clearly determines the concept of internet marketing quality*" cannot be evaluated properly. However, in the literature it is one of the main problems, two out of nine experts disagree or totally disagree with it, and four of experts are not sure. So the conclusion can be done that the problem of clear determination of internet marketing qualitative criteria exists, because two experts disagree or totally disagree with the statement and four of them cannot say anything about it.

In terms of second part of the first question, criteria have been suggested: *design, online distribution channels, customer satisfaction and e-loyalty*. As it was said in the beginning of the survey, those criteria, which will be accepted by more than a half experts', will be considered as acceptable. *Design* is agreed or totally agreed by five out of nine experts; *online distribution channels* is agreed or totally agreed by five out of nine experts; *customer satisfaction* is agreed or

totally agreed by eight out of nine experts and *e-loyalty* is agreed or totally agreed by six out of nine experts. The conclusion is that all four qualitative criteria could be adapted to successful internet marketing development.

In conclusion of the third question, the variety of opinions exposed. It was asked to divide one central qualitative criteria of internet marketing or to suggest the additional one. The results of the survey showed up that some of experts divide more than one central criterion; some experts divide one, but also suggest additional ones. The result of this question is that one central criterion cannot be distinguished; it would be more efficient if criteria would be adapted as the complex of measures according to the goals of internet marketing. Additional suggested criteria are as follows:

- Google keywords – content optimization;
- Consistent and long-term strategy;
- New customers’ number;
- Conversions;
- CPA and CPM;
- ROI.

Table 12 provides the summary of the second, fourth, fifth, sixth, seventh and eighth questions.

**Table 12.** The summary of the second, fourth, fifth, sixth, seventh and eighth questions

Questions	The summary of experts’ responses
What is internet marketing quality?	<ul style="list-style-type: none"> <li>• <i>marketing feature by various aspects via the Internet to increase customer satisfaction and generate ROI for the company</i></li> </ul>
	<ul style="list-style-type: none"> <li>• <i>being easily found by the customer in the most convenient time and most acceptable channels</i></li> </ul>
	<ul style="list-style-type: none"> <li>• <i>in accordance with the basics of marketing concepts, quality can be defined as reaching the consumer satisfaction level</i></li> </ul>
	<ul style="list-style-type: none"> <li>• <i>the customer involvement or the desired target audience actions evaluating</i></li> </ul>
	<ul style="list-style-type: none"> <li>• <i>efficient use of cyberspace for potential/existing users’ achievement and message transfer</i></li> </ul>
	<ul style="list-style-type: none"> <li>• <i>CPA - for sales promotion campaign; CPM - for image campaigns</i></li> </ul>
	<ul style="list-style-type: none"> <li>• <i>ROI is the only methodology to evaluate the internet marketing quality</i></li> </ul>
Criteria for website design quality measurement	<ul style="list-style-type: none"> <li>• <i>time spend reading the content</i></li> </ul>
	<ul style="list-style-type: none"> <li>• <i>an opened page number</i></li> </ul>
	<ul style="list-style-type: none"> <li>• <i>attractiveness</i></li> </ul>
	<ul style="list-style-type: none"> <li>• <i>friendliness</i></li> </ul>
	<ul style="list-style-type: none"> <li>• <i>a clear usability</i></li> </ul>
	<ul style="list-style-type: none"> <li>• <i>SEO</i></li> </ul>
	<ul style="list-style-type: none"> <li>• <i>the mutual link with social networks and the related</i></li> </ul>

	<ul style="list-style-type: none"> <li><i>external websites</i></li> <li><i>adoption to specific product/service (visualization)</i></li> <li><i>clarity of display</i></li> <li><i>working links and functions of the website</i></li> <li><i>user involvement</i></li> <li><i>CES indicator</i></li> <li><i>implemented goals of website developer</i></li> </ul>
The problems of internet marketing development	<ul style="list-style-type: none"> <li><i>goal setting problem</i></li> <li><i>lack of resources</i></li> <li><i>lack of budgets</i></li> <li><i>opportunity to measure</i></li> <li><i>perception problem</i></li> <li><i>huge flow of information</i></li> <li><i>customer interest</i></li> <li><i>mobile friendliness</i></li> <li><i>standing out from the others</i></li> <li><i>customer loyalty</i></li> </ul>
Solutions in order to solve the problems of internet marketing development	<ul style="list-style-type: none"> <li><i>education process</i></li> <li><i>clear goal setting</i></li> <li><i>innovative solutions</i></li> <li><i>professional management</i></li> <li><i>integrated marketing</i></li> <li><i>research importance</i></li> <li><i>budget</i></li> </ul>
Examples of worldwide internet marketing quality	<ul style="list-style-type: none"> <li><i>Coca cola</i></li> <li><i>Volvo Trucks campaign (Van Damme)</i></li> <li><i>House of Fraser</i></li> <li><i>Old spice</i></li> <li><i>Booking.com</i></li> <li><i>Milliondollarhomepage.com (n=3)</i></li> </ul>
Examples of Lithuania internet marketing quality	<ul style="list-style-type: none"> <li><i>Swedbank</i></li> <li><i>SEB private customers' consulting program</i></li> <li><i>Birzuduona.lt</i></li> <li><i>"Čili" brand campaign</i></li> <li><i>Half-marathon of Trakai</i></li> <li><i>Vinted.lt</i></li> <li><i>Boredpanda.com</i></li> </ul>

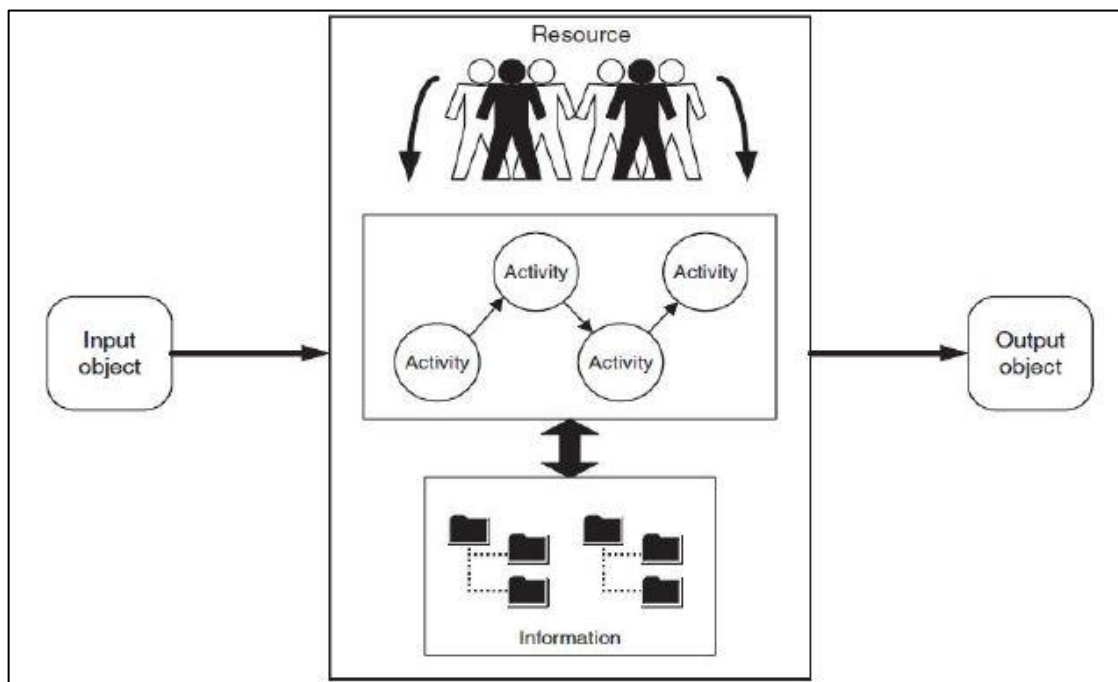
The source developed by the author based on the results of the survey

## 4. DESIGNING THE INTERNET MARKETING QUALITATIVE CRITERIA APPLICATION MODEL

### 4.1. Designing methodology

Since the qualitative criteria are proposed and approved by the experts during the qualitative data analysis, it is beneficial to create the application model of internet marketing qualitative criteria, which could explain the value of the criteria and explain future applications. Scientific modeling is the creation of abstract or conceptual models. The science offers a wide range of methods and theories about the various kinds of scientific modeling. The main theory about scientific modeling is based on theories of philosophy, systems and knowledge visualization. Modeling is an essential and integral part in scientific activity.

The models can be qualitative, mathematical and statistical representation of system entities, events or processes (Frigg & Hartmann, 2009). In this case the qualitative application model will be proposed. Any modeling is based on established rules and is full of processes, which also involve required resource, activities and information. Moreover, the models start with the inputs and outputs objects. It is important to estimate how the model activities start (input) and what result (output) generate (see Figure 28).



Source: Aytulun & Guneri, 2008, P. 2745

Figure 28. The model structure and interaction

## 4.2. Model analysis

The application model of internet marketing qualitative criteria (see Figure 28) is developed on the basis of:

- Analysis of qualitative criteria of internet marketing development and the issues setting (see Section 1.2.);
- Analysis of qualitative criteria of internet marketing integration to e. business strategic development (see Section 1.3.)
- Global analysis of qualitative criteria of internet marketing development (see Chapter 2.);
- Qualitative data analysis (see Chapter 3. Also, see the summarized experts' answers in Table 12 and completed website design decision in Figure 27).

The model of internet marketing qualitative criteria starts with the input object of a short term goals, where the qualitative criteria are included: *design, online distribution channels, customer satisfaction and e-loyalty*.

**Design.** Forbes (2012) announce that any business must admit the power of a great design for customers' experience. Design-oriented companies put design at the heart of their company to build innovation and to constantly improve products, service and marketing trends. They recognize that a great design guarantees the differentiation, customer loyalty and higher profits (Era of design, 2012). A well-designed website grants the customer to find the company whenever they trying to do it. A great content of the website helps customer to find it through search engines. Moreover, the website most of the times is one of the first touchpoints though which the potential customer will start building the trust with the company (Greenberg & Kates, 2014). Furthermore, the qualitative study determines that design should be adapted in the process of internet marketing quality development.

**Online distribution channels.** The literature (Greenberg & Kates, 2014) pays attention to digital media channels in order to reach the customers. On the one hand, the customers want to reach the information through the most convenient ways to them. On the other hand, information quality and distribution is also important from the business perspective. The variety of distribution channels help business collecting more requisite information about the customers and build the personalization. Business sites such as aheadWorks (2015), e. commerce platform (2015), eMarketer (2014) pays especially strong attention to online distribution channels as one of the most important trends for e. marketing. Moreover, the qualitative studies' results reveale that online distribution channels should be applied as the qualitative criteria for internet marketing.

**Customer satisfaction.** Chaffey (2009) declares that the most successful internet marketing factor to meet the needs of customers is satisfaction. According to analysed literature the customer satisfaction has been proposed as a qualitative criteria to internet marketing development.

Even more the experts of qualitative study agree that customer satisfaction is an important criteria in internet marketing evaluation.

**E-loyalty.** E. business is based on customer orientation, so it is important to recognize customers' needs and expectations in order to maintain the competitiveness and customers' loyalty (Turban et al., 2002). E-loyalty is also accepted as the qualitative criteria for internet marketing in the qualitative survey.

In order to create or improve the internet marketing quality the development process should be started from the qualitative criteria (mentioned above) adaption in a short time of period. Important aspect is that the efficiency will be reached if the complex of measures will be adapted. One of criteriation adaption is not adequate, because successful business has to follow the internet marketing trends, set the objective goals and adapt to fast changes in the market.

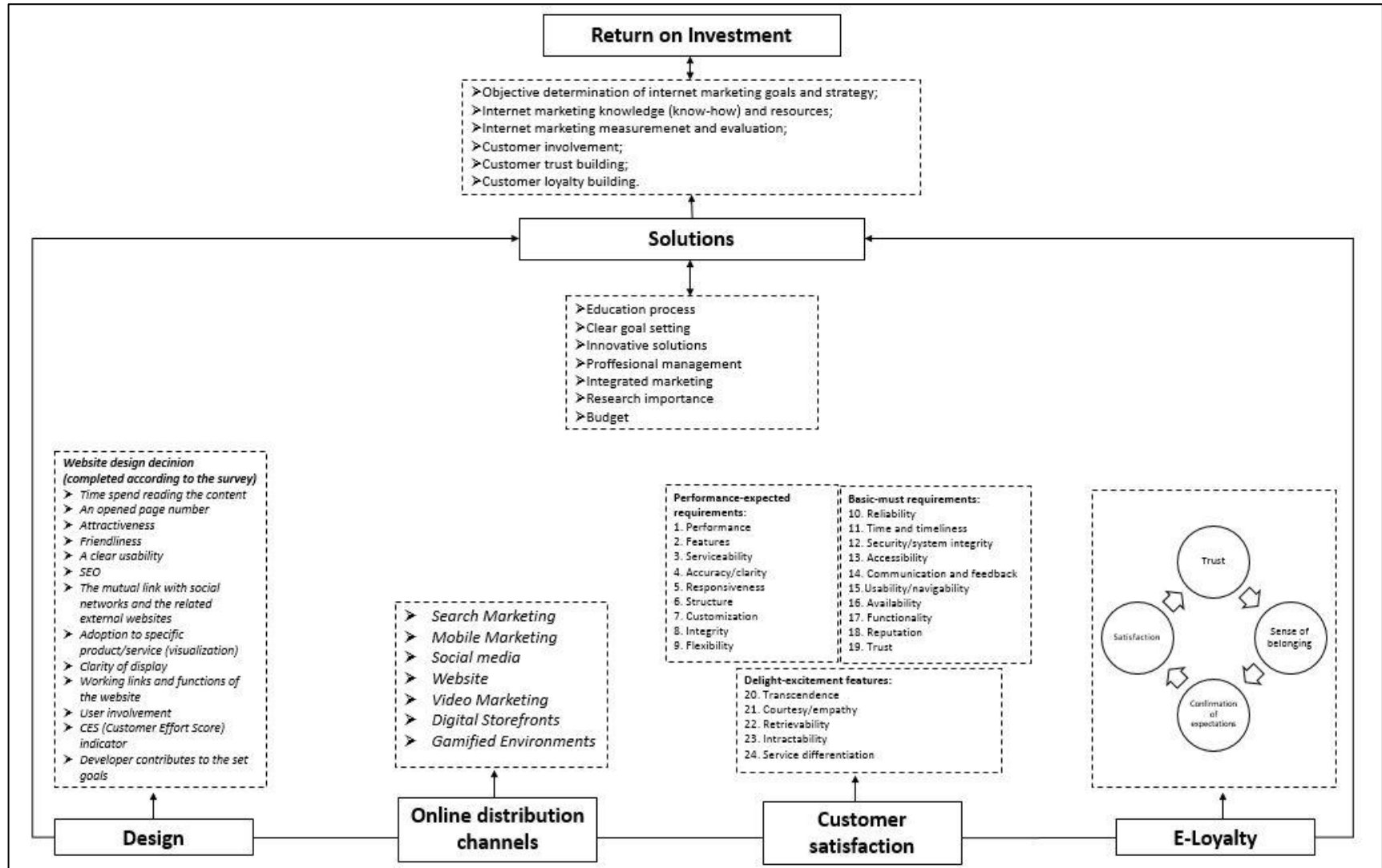
After the complex of measures is adapted and internet marketing meets the requirements of the qualitative criteria set, the following stage is **solutions**. Solutions should be implemented in a mid term of period in order to solve the rising problems in the process of internet marketing quality building. Variety of problems have been determined during the qualitative survey. Experts agree that the most common problems are goals setting; lack of resources and budgets; opportunity to measure; perception problems; huge flow of information; customer interest; mobile friendliness; standing out from the others; customer loyalty. The internet marketing quality development will be more successful if at least the most common problems will have determined solutions. However, the stage of solutions implementation might bring benefit to organizations in order to prevent at least the most common rising problems.

The last stage of successful internet marketing quality development is positive **ROI** generation, which according to the modeling theory is based on output object. In the long perspective every business needs to generate positive ROI. If there are no profit for the company, none of internet marketing goals will bring the benefit to organization. After the complex of qualitative criteria is adapted and solutions implemented in order to reach the internet marketing quality, the result should be reached: objective determination of internet marketing goals and strategy; sufficient resources (such as programming resources, competent marketing professionals; internet marketing knowledges (know-how) in the organization); elements for internet marketing measurement and evaluation; customer involvement; customer trust and loyalty building. The results above would bring the organization to successful ROI generation.

**Overall**, the point of the application model is to achieve the positive ROI through the qualitative criteria and solutions adaption in the process of internet marketing quality development. Moreover, the model might be adapted in the process of creating internet marketing quality or in the process of improving the already existing internet marketing quality. In addition, the application

model is based on two perspectives: to implement customer oriented internet marketing (adaption of qualitative criteria) and business perspective, which aims to generate positive ROI.





Source: developed by author

Figure 29. Internet marketing qualitative criteria application model

## CONCLUSIONS AND RECOMMENDATIONS

1. Theoretical part highlights the concept and evaluation of internet marketing; qualitative criteria of internet marketing development and the issues setting; qualitative criteria of internet marketing integration to e. business strategic development. Worth mentioning that common concept of internet marketing is not defined, although the most mentioned qualitative criteria for internet marketing development are design, online distribution channels, customer satisfaction and e-loyalty. Overall, the internet marketing is a part of e. business and both areas are measured from two perspectives – customers' and businesses'. In order to internet marketing reach the positive performance measure ROI, the qualitative criteria from customer experience should be implemented for internet marketing quality.
2. Analysing experiences of the global market, following countries have been chosen – United Kingdom, United States of America and Lithuania. According to the statistic of “We are social. Digital, Social & Mobile” (2015) the countries above are in the regions where Internet use penetration is especially high. Moreover, the process of Internet use penetration is increasing to grow and billion of new users are connecting online. In fact, the internet marketing issue has become widely discussed and very significant, especially for business in the entire world. Countries have led to success not only by the fact that they have high internet penetration, but also the customer orientation, the successful implementation of electronic solutions, processes monitoring and evaluation, investment to innovative solutions, professional team etc.
3. Based on qualitative expert survey data analysis, it was determined that design, online distribution channels, customer satisfaction and e-loyalty are criteria of internet marketing evaluation. However, one of the main criteria cannot be distinguished, the complex of measures should be adapted in order to achieve the internet marketing quality. Also, the website design decision was developed according to experts' suggested criteria (see Figure 27). The main problems facing the internet marketing development are goals setting; lack of resources and budgets; opportunity to measure; perception problems; huge flow of information; customer interest; mobile friendliness; standing out from the others; customer loyalty. The experts provided the worldwide internet marketing quality examples: Coca cola; Volvo Trucks campaign, House of Fraser; Old spice; Booking.com; Milliondollarhomepage.com. The Swedbank; SEB private customers' consulting program; Birzuduona.lt.; “Čili” brand campaign; Half-marathon of Trakai; Vinted.lt, Boredpanda.com have been proposed as Lithuanian examples of internet marketing quality.

4. According to the proposed qualitative criteria, the internet marketing qualitative criteria application model has been designed. The model starts with the input object – short term goals determination, where the complex of qualitative criteria is adapted. The other stage of the model is solutions' adaption in a mid term of period in order to solve the rising problems in the process of internet marketing quality building. Finally, the output of the model in a long perspective is a positive ROI generation, which is the final goal of any business and internet marketing campaign. Moreover, the model might be adapted in the process of creating internet marketing quality or in the process of improving the already existing internet marketing quality. In addition, the application model is based on two perspectives: to implement customer oriented internet marketing (adaption of qualitative criteria) and business perspective, which aims to generate a positive ROI

### **Recommendations:**

1. To use the concept of internet marketing - In accordance with the basics of marketing concepts, quality can be defined as reaching the consumers' satisfaction level, efficient use of cyberspace for potential users' involvement, target audience extension and ROI generation for the company.
2. In order to create the internet marketing quality, the qualitative criteria such as design, online distribution channels, customer satisfaction and e-loyalty should be implemented.
3. In order to reach the internet marketing quality the qualitative criteria should be adapted as the complex of measures according to the goals of internet marketing.
4. Since the internet marketing quality encounters the development issues in the process of internet marketing quality creation and implementation, include the education process, clear goal setting, and innovative solutions, invest to professional management, implement integrated marketing, to pay attention to research importance and spread the budget.
5. To adapt the proposed internet marketing quality development model. The model might be adapted in the process of creating internet marketing quality or in the process of improving the already existing internet marketing quality. In addition, the application model is based on two perspectives: to implement customer oriented internet marketing (adaption of qualitative criteria) and business perspective, which aims to generate positive ROI based on qualitative criteria and solutions integration.

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#### **ANNOTATION**

Master thesis analyses the creation and application of qualitative criteria of internet marketing, discusses the problems of internet marketing development, provides the solutions how to deal with the emerging problems and presents the qualitative criteria of internet marketing application model. The first section analyses the theoretical aspects of internet marketing: the concept and evaluation of internet marketing, qualitative criteria setting issues and strategic trends. The second section analyses the development of internet marketing qualitative criteria in global market: United Kingdom, United States of America and Lithuania. In Lithuanian case, the legal framework and strategic internet marketing trends are discussed as well. The third section provides experts' view analysis by topic of creation and application of qualitative criteria of internet marketing development. After the theoretical part and qualitative study results, the internet marketing qualitative criteria application model is proposed in the fourth section.

**Key words:** internet marketing, qualitative criteria of internet marketing, creation of qualitative criteria, application of qualitative criteria.

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## ANOTACIJA

Magistro baigiamajame darbe yra analizuojami internetinio marketingo kokybės kriterijų kūrimas ir taikymas, aptariamos internetinio marketingo plėtros problemos, pateikiamos galimybės, kaip spręsti kylančias problemas bei pristatomas internetinio marketingo kokybės kriterijų taikymo modelis. Pirmoje darbo dalyje yra analizuojami internetinio marketingo teoriniai aspektai: internetinio marketingo sąvoka ir vystymasis, kokybės kriterijų nustatymo problematika ir strateginės išvalgos. Antroje darbo dalyje yra analizuojama internetinio marketingo kokybės kriterijų plėtra pasauliniu mastu: Anglija, Jungtinės Amerikos Valstijos ir Lietuva. Lietuvos atveju taip pat aptariama internetinio marketingo plėtrą reguliuojanti teisinė bazė ir strateginės išvalgos. Trečioji darbo dalis pateikia empirinio tyrimo rezultatus, kurio metu buvo apklausiami ekspertai susiję su internetiniu marketingu. Apibendrinus teorinės ir kokybinio tyrimo rezultatus, ketvirtoje darbo dalyje yra pasiūlytas internetinio marketingo kokybės kriterijų taikymo modelis.

**Raktiniai žodžiai:** internetinis marketingas, internetinio marketingo kokybės kriterijai, kokybės kriterijų kūrimas, kokybės kriterijų taikymas.

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## SUMMARY

The Master thesis analyses the creation and application of internet marketing qualitative criteria in Lithuanian and global market. The case studies have been selected from three countries in different continents: United Kingdom, United States of America and Lithuania. The empirical study of creation and application of internet marketing development has been conducted by using the structured interview approach. Also, methods of scientific literature and document analysis have been applied in the paper work.

The aim of the empirical study is according to the experts, to figure out the concept of internet marketing quality; to determine the qualitative criteria, which could be adopted by evaluating internet marketing quality; mark out the internet marketing development problems, solutions and major examples in Lithuanian and global markets. The analysis is based on two main tasks: to perform the survey of experts' opinion, which would help to determine the qualitative criteria of internet marketing and to offer the aspects of qualitative criteria application of internet marketing development. The object of the research - qualitative criteria creation and implementation for internet marketing.

After the analysis of theoretical aspects and empirical study results, the concept of internet marketing quality has been proposed, the qualitative criteria of internet marketing and website design have been determined. Moreover, the problems of internet marketing development have been distinguished and the solutions proposed for emerging problems. The worldwide and Lithuanian market examples of internet marketing quality have been highlighted.

Master's thesis consists of four parts. The first section analyses the theoretical aspects of internet marketing: the concept and evaluation of internet marketing, qualitative criteria setting issues and strategic trends. The second section analyses the development of internet marketing qualitative criteria in global market and Lithuania. The third section provides experts' view analysis by the topic of creation and application of qualitative criteria of internet marketing development. After the theoretical part and qualitative study results, the internet marketing qualitative criteria application model is proposed in the fourth section.

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## SANTRAUKA

Magistro baigiamajame darbe yra analizuojami internetinio marketingo kokybės kriterijų kūrimas ir taikymas Lietuvoje ir pasaulinėje rinkoje. Atvejų tyrimui yra analizuojamos trys šalys iš skirtingų pasaulio kontinentų: Anglija, Jungtinės Amerikos Valstijos ir Lietuva. Empirinis tyrimas buvo atliktas pasitelkus struktūrizuoto interviu formą. Taip pat darbe taikyti mokslinės literatūros ir dokumentų analizės metodai.

Empirinio tyrimo tikslas yra atsižvelgiant į ekspertų nuomones, išskirti internetinio marketingo kokybės sąvoką, nustatyti kokybės kriterijus, kurie galėtų būti pritaikomi vertinant internetinio marketingo kokybę; nustatyti internetinio marketingo plėtro problemas, sprendimų galimybes bei išskirti Lietuvos ir pasaulinių rinkų pavyzdžius. Tyrimas atliekamas atsižvelgiant į du pagrindinius uždavinius: atlikti ekspertų nuomonių tyrimą, kuris padėtų nustatyti internetinio marketingo kokybės kriterijus ir pasiūlyti kokybės kriterijų pritaikymo aspektus plėtojant internetinį marketingą. Tyrimo objektas – internetinio marketingo kokybės kriterijų kūrimas ir įgyvendinimas.

Apibendrinus teorinės dalies aspektus bei kokybinio tyrimo rezultatus, buvo pasiūlyta internetinio marketingo kokybės sąvoka bei nustatyti internetinio marketingo ir internetinio puslapio kokybės kriterijai. Taip pat, buvo išskirtos internetinio marketingo plėtros problemos ir sprendimų galimybės bei pasaulinių ir Lietuvos rinkų internetinio marketingo kokybės pavyzdžiai.

Magistrinis darbas sudarytas iš keturių dalių. Pirmoje dalyje yra analizuojami internetinio marketingo teoriniai aspektai: internetinio marketingo sąvoka ir vystymasis, kokybės kriterijų nustatymo problematika ir strateginės išvalgos. Antroje darbo dalyje yra analizuojama internetinio marketingo kokybės kriterijų plėtra pasauliniu mastu. Trečioji darbo dalis pateikia empirinio tyrimo rezultatus, kurio metu buvo apklausiami ekspertai susiję su internetiniu marketingu. Apibendrinus teorinės ir kokybinio tyrimo rezultatus, ketvirtoje darbo dalyje yra pasiūlytas internetinio marketingo kokybės kriterijų taikymo modelis.

## LIST OF ANNEXES

### Annex 1. The questionnaire of the survey

Good afternoon. I am Mykolas Romeris, together with Middlesex University, Electronic Business Management Masters' degree student. I conduct the survey of "*Internet Marketing qualitative criteria creation and application*".

The qualitative criteria of internet marketing are not distinguished the basis of which internet marketing quality could be evaluated. The aim of the survey is according to the experts, to figure out the concept of internet marketing quality; to determine the qualitative criteria, which could be adopted by evaluating internet marketing quality; mark out the internet marketing development problems, solutions and major examples of internet marketing quality.

The survey is anonymous, the surveys' information will not be provided publically. Please, provide the generalized experience from the experts' and users' view of point. Both perspectives are important in order to determine the quality of internet marketing. Thank you in advance for the answers.

- 1. Please, evaluate the formulated statements about the qualitative criteria of internet marketing according to the evaluation assessment scale from -2 to 2 (2 means "totally agree", 1 – "agree", 0 – "I am not sure", -1 – "disagree", -2 – "totally disagree").**

	-2	-1	0	1	2
The literature clearly defines the concept of internet marketing quality.					
The qualitative criteria of internet marketing:					
<ul style="list-style-type: none"> <li>• Design</li> </ul>					
<ul style="list-style-type: none"> <li>• Online distribution channels (mobile marketing, social media, video marketing, website, newsletters etc.)</li> </ul>					
<ul style="list-style-type: none"> <li>• Customer satisfaction</li> </ul>					
<ul style="list-style-type: none"> <li>• e-loyalty</li> </ul>					

- 2. How could you describe the internet marketing quality?**

3. Which, in your opinion, of further mentioned qualitative criteria is the central in terms of internet marketing quality development. Please mark one or write additional one.

- a) Design
- b) Online distribution channels
- c) Customer satisfaction
- d) E-loyalty
- e) Other (type in)\_\_\_\_\_

4. According to Fiedler (1967) model Contingency -> Structure -> Output, the author Wei-shang Fan (2008) suggested the website design decision (see Figure 1). Could you provide the criteria which would make the possibility to assess the quality of website design?

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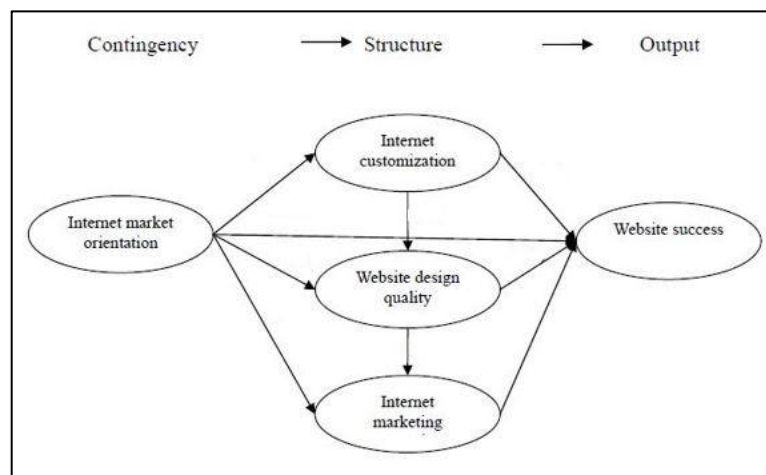


Figure 1. The website design model

- 5. Please, distinguish the problems of internet marketing development.
- 6. What actions should be taken in order to solve the emerging problems?
- 7. What worldwide example of internet marketing quality could you define?
- 8. What Lithuanian example of internet marketing quality could you define?

**Annex 2.** Tesco mobile application, which helps to find exactly product in a store



**Annex 3.** Tesco Clubcard





#### Annex 4. Tesco Digital wallet



#### Annex 5. Vinted.lt mobile application

